



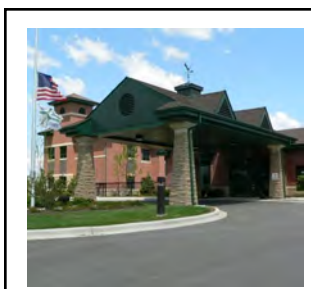
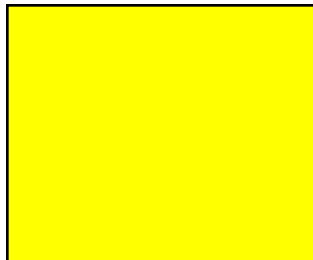
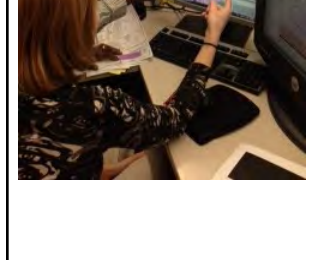
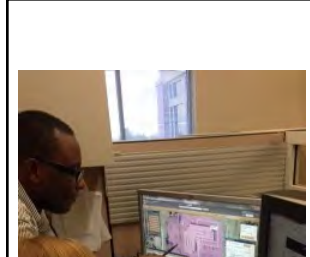
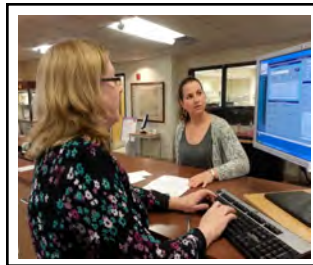
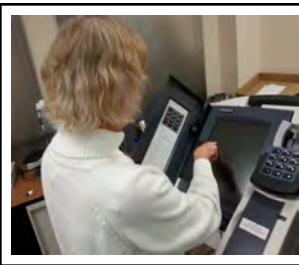
# County of McHenry, Illinois

## Comprehensive Annual Financial Report

### For the Fiscal Year Ended November 30, 2013



Delivering services to the residents of  
the County of McHenry for 176 years



## Dedicated to Service – A Tribute to Kathie Schultz

On October 16, 1959, Katherine (Cross) Schultz, shortly after graduating from Woodstock High School, began what turned out to be a life-long career in the McHenry County Clerk's Office. Starting as a Deputy Clerk, Kathie worked on automating voter registration records on metal plates that were used with an addressograph machine. Originally, she worked out of the basement at the old courthouse on the Woodstock Square, but moved upstairs after 1960 and performed court work for the Clerk's Office.

From 1965 – 66, Kathie was put in charge of voter registration. In 1969, a punch card system was put into place for voting, and Kathie played a large part in learning the system, including how to program the layout for the punch cards. It is interesting to note that the IBM equipment at Woodstock Diecast was used to help count these ballots.



*KATHY SCHULTZ is about to enter the vault in the office of the county clerk. All the county clerk's records are kept in the vault. About ten years ago the Courthouse had to be extended for a needed expansion of the vault.*

In 1972, Kathie's next area of duty within the office was performing tax extensions by hand. This was before the era of personal computers. The word "extension" literally described the physical image of this duty as pages upon pages of tax calculations were taped together and extended out to the floor. Kathie performed these duties until she was elected as the County Clerk.

Vernon W. Kays was the County Clerk at the time that Kathie started working in the office. In 1978, Rosemary Azzaro became the County Clerk and Kathie served as her Chief Deputy. On December 1, 1990, Kathie Schultz became the County Clerk and has served for a total of six terms. At the October 20, 2009 McHenry County Board Meeting, Kathie was honored with a special proclamation in appreciation of her 50 years of service to the County. In addition, a dedication occurred after the meeting with the planting of an oak tree and a special road sign at the County's Administration Building.

In 2013, Kathie announced that she would not seek a seventh term. 55 years with the same employer is way above the norm, with the U.S. Bureau of Labor Statistics reporting that public sector workers have a median tenure of 7.8 years.

Kathie has been involved in 13 Presidential elections since her start at the County Clerk's office in 1959. The growth in the County during her time in the office is reflected with the voter records. In November 1960, there were 58 precincts in the County with 47,137 voters. Currently, there are 212 precincts with total registered voters of 204,440. One of Kathie's notable achievements was introducing optical scan voting to the County in 1999-2000. McHenry County was the first large County in the State of Illinois to do so.



We dedicate the Fiscal Year 2013 McHenry County Annual Financial Reports to Kathie Schultz to recognize her for 55 years of outstanding service and many contributions to the McHenry County Clerk's Office, as well as to the citizens of this County.

# **County of McHenry, Illinois**

Comprehensive Annual Financial Report

For the Year Ended November 30, 2013

Prepared by the County Auditor's Office:

Pamela Palmer, County Auditor

James Bernier, CPA, CPFO, Financial Reporting Manager/Chief Deputy Auditor

# **INTRODUCTORY**

**County of McHenry, Illinois**  
**TABLE OF CONTENTS**  
November 30, 2013

---

	<u>Page</u>
Introductory Section	
Table of Contents	i - iv
Officers and Officials	v
Letter of Transmittal	vi - xvi
Certificate of Achievement for Excellence in Financial Reporting	xvii
Organization Chart	xviii
Financial Section	
Independent Auditors' Report	I - III
Management's Discussion and Analysis	IV - XIX
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	1 - 2
Statement of Activities	3 - 4
Fund Financial Statements	
Balance Sheet - Governmental Funds	5
Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Governmental Funds	7
Reconciliation of Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds to Statement of Activities	8
Statement of Net Position - Proprietary Funds	9 - 10
Statement of Revenues, Expenses, and Changes in Net Position -	
Proprietary Funds	11
Statement of Cash Flows - Proprietary Funds	12 - 13
Statement of Fiduciary Assets and Liabilities - Agency Funds	14
Index to Notes to Financial Statements	15 - 16
Notes to Financial Statements	17 - 56
Required Supplementary Information	
Schedules of Revenues, Expenditures, and Changes in Fund Balance -	
Budget and Actual	
General Fund	57
County Mental Health Fund	58
County Highway Fund	59
Schedule of Funding Progress - Illinois Municipal Retirement Fund	60
Schedule of Funding Progress - Other Post Employment Benefits (OPEB)	61
Notes to Required Supplementary Information	62
Supplementary Information - Combining and Individual Fund Financial	
Statements and Schedules	
Governmental Funds	
General Fund	
Schedule of Revenues - Budget and Actual	63 - 66
Schedule of Expenditures - Budget and Actual	67 - 71
Combining Balance Sheet - Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Nonmajor Governmental Funds	73

**County of McHenry, Illinois**  
TABLE OF CONTENTS (Continued)  
November 30, 2013

---

	<u>Page</u>
Financial Section (Continued)	
Supplementary Information (Continued)	
Governmental Funds (Continued)	
Combining Balance Sheet - Nonmajor Special Revenue Funds	74 - 81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	82 - 89
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Special Revenue Funds	
Veterans' Assistance Commission Bus Fund	90
Veterans' Assistance Commission Fund	91
Illinois Municipal Retirement Fund	92
Social Security Fund	93
Coroner's Fund	94
Matching Fund	95
County Bridge Fund	96
County Option Motor Fuel Tax Fund	97
Tuberculosis Care and Treatment Fund	98
Maintenance and Child Support Collection Fund	99
County Clerk Automation Fund	100
Recorder Automation Fund	101
Animal Shelter Fund	102
County Treasurer Automation Fund	103
Workforce Network Fund	104
Law Library Fund	105
Special Courts Fund	106
Mental Health Grant Fund	107
Circuit Court Document Storage Fund	108
Probation Service Fee Fund	109
HUD Grants Fund	110
Dental Care Clinic Fund	111
Circuit Court Automation Fund	112
Illinois Criminal Justice Authority Fund	113
Circuit Court Admin Fund	114
EMDT Fund	115
Treasurer's Passport Services Fund	116
State's Attorney Automation Fund	117
DUI Conviction Fund	118
Geographic Information Systems Fund	119
Revolving Loan Fund	120
Health Scholarship Fund	121
Senior Services Fund	122
RTA Sales Tax Fund	123
Insurance Loss Fund	124
Circuit Clerk Electronic Citation Fund	125
Motor Fuel Tax Fund	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds	127 - 128

**County of McHenry, Illinois**  
**TABLE OF CONTENTS (Continued)**  
November 30, 2013

---

Page

Financial Section (Continued)	
Supplementary Information (Continued)	
Governmental Funds (Continued)	
Schedules of Revenues, Expenditures, and Changes in	
Fund Balance - Budget and Actual - Nonmajor Debt Service Funds	
Series 2006 A Certificate Fund	129
Series 2007 A Certificate Fund	130
Series 2007 B Certificate Fund	131
Series 2008 Certificate Fund	132
Series 2010 A Certificate Fund	133
Series 2010 B Certificate Fund	134
Series 2012 A&B Certificate Fund	135
Combining Balance Sheet - Nonmajor Capital Project Funds	136
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Nonmajor Capital Project Funds	137
Schedules of Revenues, Expenditures, and Changes in Fund Balance -	
Budget and Actual - Nonmajor Capital Project Funds	
Series 2010A Capital Projects Fund	138
Mental Health Facility Expansion Fund	139
Combining Balance Sheet - Nonmajor Permanent Funds	140
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Nonmajor Permanent Funds	141
Schedules of Revenues, Expenditures, and Changes in	
Fund Balance - Budget and Actual - Nonmajor Permanent Funds	
Working Cash No. 1 Fund	142
Working Cash No. 2 Fund	143
Enterprise Funds	
Schedules of Operating and Nonoperating Revenues and	
Expenses - Budget and Actual (Budgetary Basis) - Enterprise Funds	
Valley Hi Fund	144
911 Fund	145
Internal Service Fund	
Statement of Net Position - Internal Service Fund	146
Statement of Revenues, Expenses, and Changes	
in Net Position - Internal Service Fund	147
Statement of Cash Flows - Internal Service Fund	148
Schedule of Operating and Nonoperating Revenues and	
Expenses - Budget and Actual - Internal Service Fund	
Health Insurance Fund	149
Agency Funds	
Combining Statement of Fiduciary Assets and Liabilities	150 - 151
Combining Statement of Changes in Fiduciary Assets and Liabilities	152 - 153

**County of McHenry, Illinois**  
**TABLE OF CONTENTS (Continued)**  
November 30, 2013

---

	<u>Page</u>
Statistical Section (Unaudited)	
Introduction to the Statistical Section	154
Net Position - by Component - Last Ten Fiscal Years	155 - 156
Changes in Net Position - Last Ten Fiscal Years	157 - 158
Fund Balances - Governmental Funds - Last Ten Fiscal Years	159 - 160
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	161 - 162
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Levy Years	163
Direct and Overlapping Property Tax Rates - Last Ten Levy Years	164 - 165
Principal Property Tax Payers - Current Year and Nine Years Ago	166
Property Tax Levies and Collections - Last Ten Levy Years	167
Ratios of Outstanding Debt - by Type - Last Ten Fiscal Years	168
Ratios of Outstanding General Bonded Debt - Last Ten Fiscal Years	169
Direct and Overlapping Governmental Activities Debt	170
Legal Debt Margin Information - Last Ten Fiscal Years	171
Pledged Revenue Coverage - Last Ten Fiscal Years	172
Demographic and Economic Statistics - Last Ten Fiscal Years	173
Principal Employers - Current Year and Nine Years Ago	174
Full-Time Equivalent County Government Employees - by Function - Last Ten Fiscal Years	175
Operating Indicators - by Function - Last Ten Fiscal Years	176
Capital Asset Statistics - by Function - Last Ten Fiscal Years	177



## **County of McHenry, Illinois**

### **OFFICERS AND OFFICIALS**

November 30, 2013

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#### **COUNTY BOARD MEMBERS**

Tina Hill, Chairwoman  
Michele Aavang  
Yvonne Barnes  
Nick Chirikos  
Sue Draffkorn  
Diane Evertsen  
Joseph Gottemoller  
John D. Hammerand  
James L. Heisler  
John Jung, Jr.  
Kenneth D. Koehler  
Donna Kurtz

Bob Martens  
Mary T. McCann  
Mary E. McClellan  
Anna May Miller  
Robert "Bob" Nowak  
Nick Provenzano  
Sandra Fay Salgado  
Carolyn Schofield  
Ersel Schuster  
Michael Skala  
Michael J. Walkup  
Paula Yensen

#### **ELECTED OFFICIALS**

Pamela Palmer  
Katherine M. Keefe  
Anne L. Majewski M.D.  
Katherine C. Schultz  
Phyllis K. Walters  
Keith Nygren  
Louis A. Bianchi  
Leslie Schermerhorn

William LeFew

Auditor  
Clerk of the Circuit Court  
Coroner  
County Clerk  
Recorder  
Sheriff  
State's Attorney  
Superintendent of Educational  
Service Region  
Treasurer

#### **ADMINISTRATIVE**

Peter Austin

County Administrator



**Letter  
of  
Transmittal**

PAMELA PALMER  
COUNTY AUDITOR

JAMES BERNIER, CPA, CPFO  
FINANCIAL REPORTING  
MANAGER/  
CHIEF DEPUTY AUDITOR

OFFICE OF  
**THE COUNTY AUDITOR**

McHENRY COUNTY, ILLINOIS  
2200 NORTH SEMINARY AVENUE  
WOODSTOCK, ILLINOIS 60098

PHONE: 815 334-4204  
FAX: 815 334-4621



May 9, 2014

To the Chairwoman of the Board,  
County Board Members, and the  
Citizens of McHenry County, Illinois:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2013, as prepared by the McHenry County Auditor's Office. Illinois State Statutes require the County to produce a complete set of audited financial statements for each fiscal year. This CAFR is provided to fulfill that requirement for the fiscal year 2013. The financial statements included in the CAFR conform with generally accepted accounting principles in the United States of America (GAAP), as established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the financial statements and information presented in this report. I believe that the data presented conforms to that responsibility and enables readers of the report to gain an understanding of McHenry County's operations. The financial statements included in the CAFR were audited by the independent certified public accounting firm of Baker Tilly Virchow Krause, LLP and received an unqualified opinion. See the Independent Auditors' Report on page I in the financial section.

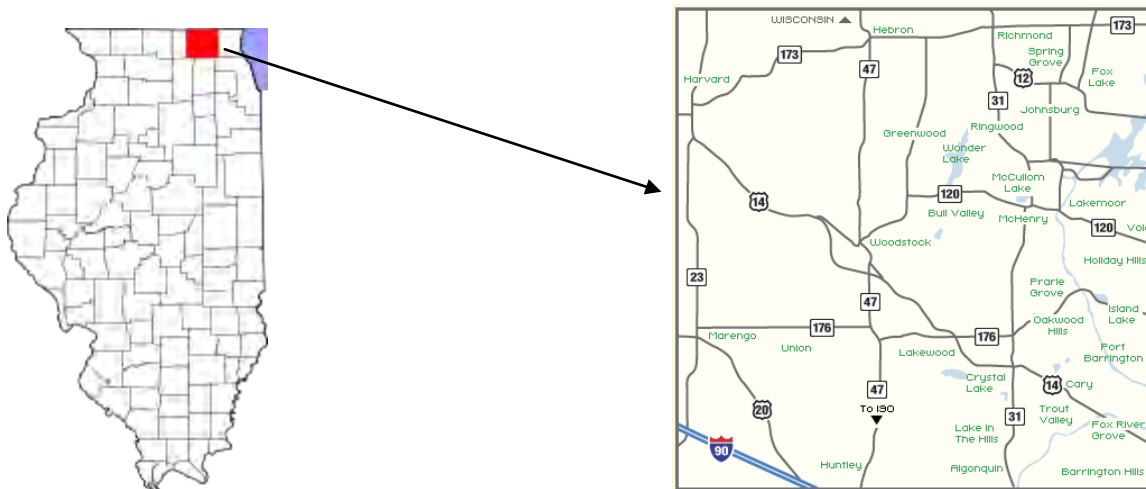
The Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designated to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This CAFR is intended to be used as a source of financial information and data for the citizens of the County, board members and other elected officials, investors, creditors, and other readers. The Auditor's Office can be contacted with any questions concerning the CAFR, which can also be viewed (along with prior year CAFRs) via the Auditor's webpage at <https://www.co.mchenry.il.us/county-government/departments-a-i/auditor/comprehensive-annual-financial-reports>.

The County Board is required by Illinois state statute to adopt an operating budget before the start of a new fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The budget is maintained on an object code basis (personnel services, contractual, commodities, capital, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board.

The CAFR also reports the activities of two component units, the Public Building Commission and the McHenry County Conservation District. For a detailed description of the relationship these organizations have with the County that require them to be reported as component units, see Note 1 of the Notes to Financial Statements on page 17 of the financial section.

In accordance with GAAP, this CAFR includes Management's Discussion and Analysis (MD&A), which provides a narrative introduction and an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The remainder of this transmittal letter will provide an overview of the County's economic conditions and demographic information, along with accomplishments achieved during fiscal year 2013, and major initiatives of the County.

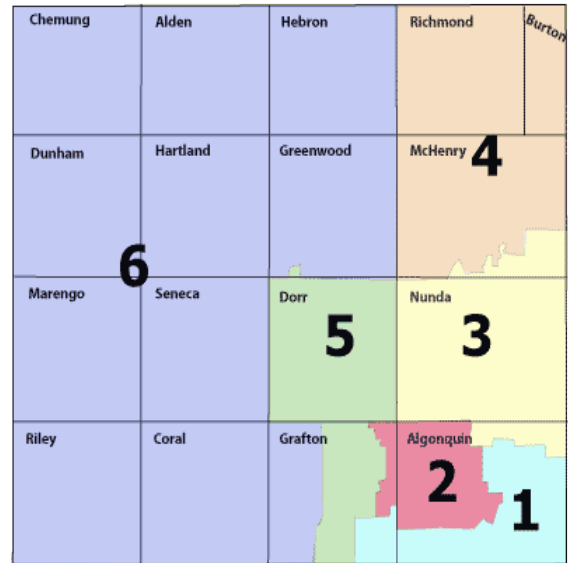
## **Profile and History of McHenry County, Illinois**



McHenry County is located in the northeastern part of Illinois, and is adjacent to Walworth and Kenosha Counties in Wisconsin and the following counties in Illinois – Lake, Cook, Kane, DeKalb and Boone. The County covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The 2013 estimated population by the U.S. Census Bureau is 307,409 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. The County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County (U.S. Highways 12, 14 and 20 and Illinois Routes 23, 31, 47, 62, 120, 173 and 176), making it accessible to areas in northern Illinois or southern Wisconsin. McHenry County government is based primarily out of Woodstock and County offices and the judicial facilities are located along Illinois Route 47. The Mental Health office and a joint Animal Control/Health facility are located in Crystal Lake. There are also several state agencies with local offices in Woodstock.

The early beginning of the County resulted from people who moved out from the Chicago area in search of land and farm sites. They petitioned the Illinois legislature in 1836 to form a new local county. The new area was named in honor after Colonel William McHenry, who commanded a regiment during the Black Hawk War. McHenry County was established on January 16, 1836 and was incorporated on June 1, 1837 by three residents, who were duly elected as the first Board of County Commissioners. A Sheriff, Coroner, Recorder and Surveyor were also elected at that meeting. Another meeting was held on June 5, 1837 in which a Clerk, Secretary, and Treasurer were appointed. It was also ordered by the Court that Judges of Election be appointed in order to hold an election on June 10, 1837 for Justices of the Peace and Constables. These elections were held in the homes of the residents.

Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to split the area and to form a new county called Lake County. The original county seat was located in the village of McHenry. However, a more central location was desired and Centerville was named the county seat in 1844. Centerville was renamed to Woodstock in 1845 and remains to this day as the county seat. In December 1849, voters established a township system of government, in part to provide a better system for road taxation, due to the poor road systems in place. The introduction of railroads brought changes to the County as it enabled farmers the ability to ship their products to Chicago’s markets and provided transportation for commuting to city jobs. All of the changes made throughout the early years resulted in migration of residents who sought the rural lifestyle for raising their families while still having access to the city for their jobs. The result of this transformation was the growth and establishment of the towns, cities, and villages that exist today.



Oct 2011  
Map of Townships and Districts

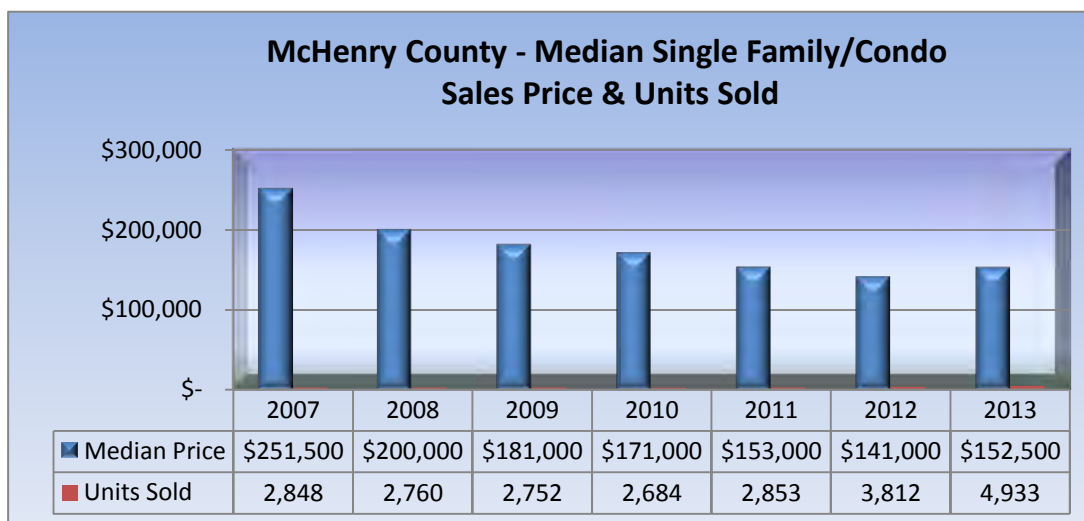
Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. Every two years, the County Board elects one of the members as Chairman of the County Board, along with a Vice-Chairman. There are also 9 other officials elected by the citizens of the county: Auditor, Circuit Clerk, Coroner, County Clerk, Recorder, Regional Superintendent of Schools, Sheriff, State’s Attorney, and Treasurer. The County Board appoints the departmental directors after conducting a search for the best candidates. A County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors.

The County provides a range of services for its citizens including law enforcement, construction and maintenance of roads and bridges, property assessment and tax collection, official records, elections, document recording, comprehensive planning and growth management, social service programs, judicial functions, health services, animal control services, emergency disaster and response planning, storm water management, environmental protection, groundwater protection, and the administrative functions to support all of these services.

## **Economic Condition of McHenry County, Illinois**

### ***Local Economy***

McHenry County is continuing to see signs of a slow recovery from the national recession, which began in December 2007 and lasted until mid 2009. A weak housing market, foreclosure activity, lower retail sales, and unemployment hampered the local economy. Sales of single family homes and condos are highlighted in the following chart obtained from market reports by the Illinois Association of Realtors. A review of this residential home sales data before and during the recession is beginning to reflect a slight increase in the median price, as well as in the sales volume in 2013 as follows:



Source: Illinois Association of Realtors

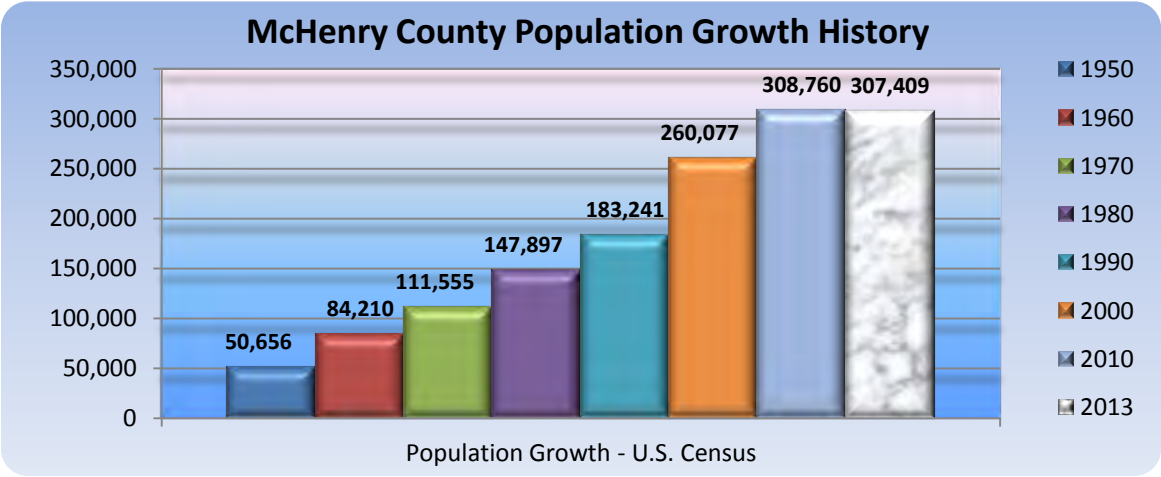
McHenry County is starting to see some recovery in the local economy. A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. Although the sales tax is still below the highest year experienced in FY2006 of \$9.6 million, FY2013 ended up with \$9.4 million in sales tax receipts. The low point in sales tax revenue occurred in FY2009 when only \$7.9 million was received locally.

The median household income as published by the U.S. Census Bureau for McHenry County was \$76,417 for 2012 as compared to the State of Illinois' median household income of \$55,126. In comparison, reported in 2011 was a County median household income of \$70,682 and the State of Illinois' at \$53,271. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 5.9% for families as of 2012 as compared to 10.9% for the State.

### ***Population Growth***

The U.S. Census Bureau's 2013 annual estimate of the County's population was released at 307,409, which continues to place McHenry County as the sixth largest county in Illinois out of a total of 102 counties and shows a net change of only 736 residents from the 308,145 estimate for 2012. The entire State of Illinois' population only increased by 13,944 residents, or 0.1%, since the 2012 census estimate. Statewide, eighty (80) of the counties experienced a population decrease of 16,407, with twenty-two (22) counties gaining 30,351 residents over the 2012 census estimate.

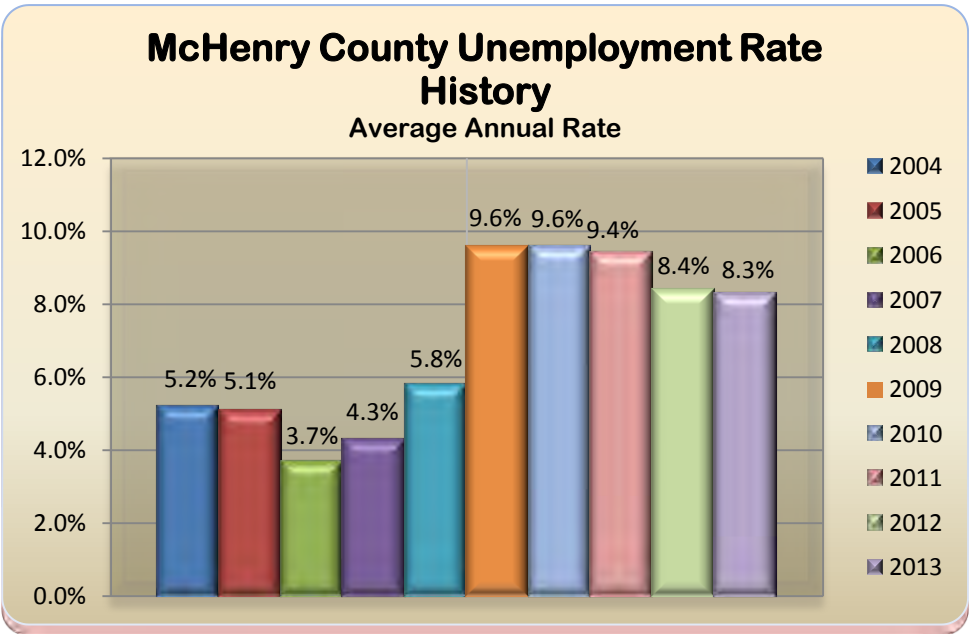
The following chart depicts the County’s population growth in 10 year intervals starting with 1950 and also includes the data for the current calendar year 2013:



The County’s population growth was significant in the 1990’s with an overall increase of 41.9% from 1990 to 2000, slowing down to 18.7% from 2000 to 2010, when the most recent decennial census was completed.

**Unemployment**

The County’s average unemployment rate was as follows for the past five years: 8.3% (2013), 8.4% (2012), 9.4% (2011), 9.6% (2010), and 9.6% (2009). For the State of Illinois, the average annual unemployment rates have been 9.2% (2013), 8.9% (2012), 9.8% (2011), 10.3% (2010), and 10.0% (2009). The U.S. unemployment rate for 2013 was 7.4%. In 2013, the total County annual average labor force was 175,380, consisting of 160,894 employed and 14,486 unemployed. The comparable statistics for 2012 relate to a slightly higher total labor force of 176,716 with 161,900 employed and a higher number, 14,816, of unemployed individuals. The information presented in this section is contained within reports issued by the Illinois Department of Employment Security. The chart below represents that average unemployment rate over the past ten years:



SOURCE: Illinois Department of Employment Security – LAUS Report

The McHenry County Workforce Investment Board and Workforce Network produced a report titled '2013 McHenry County Labor Report', which is available on their website at the following address: <https://www.co.mchenry.il.us/county-government/departments-j-z/workforce-investment-board/mchenry-county-labor-reports>. The report is filled with various demographic information, trends, workforce composition information, and an outlook for occupations and industry for 2013 – 2016. The report also notes that even with the positive news of the decrease in the unemployment rates since July 2009, factors such as the aging population, retirements, moving out of the area and dropping out of the work force will bring challenges to the local labor force availability. The Workforce Board and Network will meet these needs by developing strategies and plans to attract workers to McHenry County businesses and industries.

## **Long-term Financial Planning and Relevant Financial Policies**

A key factor in the quality of the County's current financial position is prudent financial management. The County Board continues to address the weak revenue environment with corresponding controls on expenditures. A prime application that exemplifies the fiscal discipline the County strives to maintain is described in the following paragraph.

An important tool developed by the County's administration in 2002 is the financial model for the General Fund, which is used to assess the County's condition and to assist in making financial decisions. This model allows the County to manage the budget and conduct long-range planning based upon certain assumptions that are incorporated. County Administration created a Budget Task Force in 2012 to educate County Board members on the financial state as well as the budget process of the County. These efforts were precipitated in order to address concerns about the anticipated revenues that would be available for the next budget, as well as identifying the services to be provided and how they are to be financed. The County's formal policy requires that the general fund maintain an unassigned fund balance equal to six months of budgeted operating expenditures. As of November 30, 2013, the County had an unassigned general fund balance of \$46,556,929 as compared to \$88,557,911 in operating expenditures (FY 2014 budgeted), or a reserve of 6.3 months.

### ***Budgetary Controls***

McHenry County has operated on a "no growth" or maintenance budget for the past several years, which means that each department starts out with the same appropriated budget from the prior year. Supplemental requests from departments are received and reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee. These supplemental requests are ranked by priority based upon overall department needs and the importance. The purpose of the supplemental request in meeting the strategic and financial goals of the County is also considered and the final decision to fund the request is based upon the amount of supplemental funds available. The County's Financial Model (discussed in the paragraph above) is also used to determine the supplemental funds that are available.

### ***Cash Management***

McHenry County's Investment Policy contains cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of all County funds, and the County Auditor, who is responsible for the accounting of said funds. The specific objectives of the policy include: 1) the safety and preservation of the principal, 2) sufficient liquidity to meet the County's operating requirements, 3) maximization of interest income consistent with safety and liquidity, 4) diversification of account holdings in financial institutions with respect to the policy objectives of safety, liquidity, and income, 5) diversification of



the types of depository and investments accounts with respect to the objectives of the policy, and 6) compliance with all applicable laws and regulations by which the Treasurer is bound.

### ***Capital Plan***

A five-year capital plan is prepared for building improvements and building construction projects, technology, vehicles, and equipment. These capital plans are made a part of the Financial Model in order to determine their impact on the fund balance.

### ***Strategic Planning***

A new multi-year plan for 2013-2015 was established from a contract with the Northern Illinois University (NIU) Center for Governmental Studies and adopted by the County Board on July 2, 2013. During this strategic planning process, the McHenry County Board identified four key strategic issues: 1) Leadership and Governance; 2) Stable Environment; 3) Economic and Workforce Development; and 4) Quality Infrastructure. Each strategic issue has a set of goals, objectives, and action items that will provide guidance for the County department staff responsible for implementation of the plan, as well as a suggested timeline for completion.

## **Major Initiatives**

### **General and Administrative**

- The County Auditor's Office was notified of the 15<sup>th</sup> consecutive year of receiving an award from the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Another report, the Popular Annual Financial Report (PAFR), received a fifth consecutive GFOA Award for Outstanding Achievement for the FY2012 report. McHenry County was the first County in Illinois to produce and receive this award.
- The County Recorder's Office promoted their free Property Fraud Alert (PFA) and Deed Notification programs by attending events and expos hosted by area chambers of commerce and were able to add 1,000 new subscribers to the PFA program in fiscal year 2013.
- Planning and research was conducted in FY2013 in response to necessary changes in the County's employee health insurance, due to the Affordable Care Act (ACA). Also related to the ACA is the McHenry County Department of Health's "Enroll McHenry County" initiative. For more information, see the [Public Health and Welfare](#) section on page xiv.
- County Clerk Kathy Schultz and her staff have begun their multi-year project of scanning and indexing all birth, death, marriage, and County Board records. These sets of records will be available to the public upon the completion date expected to be near the end of 2014.
- A total of 7,103 taxpayer-generated assessment appeals were heard by the Board of Review for the Tax Year 2013. This was down significantly from the record 10,413 assessment appeals from the Tax Year 2012. Tax Years 2011 and 2010 experienced assessment appeals of 8,893 and 5,885, respectively. Based upon the volumes of appeals filed, the Assessor's Office and the Board of Review have worked hard to process these appeals for the greatest of efficiency. The 2013 assessment year presented another year of an overall decrease in the assessment base.

## **Transportation**

- The Division of Transportation (DOT) celebrated their 100<sup>th</sup> year anniversary in 2013. In June 1913, the Tice Law was enacted to fix the state highway system. Tice, a legislator, worked with his colleagues for good road legislation to “pull Illinois out of the mud.” DOT marked its centennial anniversary with a monthly series of newspaper columns which highlighted the history of the County’s roads as well as some discussion as to where the agency is headed.
- The implementation of the Western Algonquin Bypass construction project, working in cooperation with the Illinois Department of Transportation, will provide a transportation system improvement that will address capacity, operational and safety deficiencies, and satisfy 2030 travel demands along the Illinois Route 31 corridor in southeastern McHenry County. The Bypass consists of the construction of a new four lane divided highway, diamond interchange, four new bridges and retaining and noise walls. The project is expected to be completed in late summer 2014.
- To promote car pooling, the County opened its first park and ride lot at Virginia Road and Route 31 in November 2013. The Park and Ride lot will assist with reducing emissions from vehicles that would be on the road and improve traffic congestion. The project was funded with Federal Congestion Mitigation and Air Quality (CMAQ) funds received through the Illinois Department of Transportation.

## **Community Development**

- The 2013 Community Development Block Grant (CDBG) funding application hearings were held in January 2013. A total of approximately \$2.3 million was requested by all applicants after the presentations by the agencies applying for funding. In March 2013, the County Board approved allocations of approximately \$941,000 and subsequently approved additional allocations in August 2013 of approximately \$53,000.

## **Public Safety**

- The Emergency Management Agency achieved EMA Accreditation from the Illinois Emergency Management Agency, as a result of (but not limited to): providing planning and exercising disaster drills and evacuation exercises, attending training classes to meet federal and state compliance, and securing grant funding.
- In March 2013, 83 County, Municipal, and other public entities (i.e. police and fire) attended an Integrated Emergency Operation Training course conducted by the Emergency Management Institute in Emmetsburg, MD. Training focused on:
  - Utilization of an Emergency Operations Center (EOC) as configured in McHenry County.
  - Disaster response and the transition to recovery.
  - Improvement of policy level decision making and coordination issues in response to a disaster.

Lessons learned were immediately put to use as spring flooding in the area affected significant portions of the County. Over 900 homes were touched by floodwaters, impacting business, traffic, and daily life for over six weeks. The County obtained a Federal Disaster Declaration for both public and individual assistance, which provided Federal support for uninsured losses from the spring storms. The Geographic Information Systems (GIS) department provided assistance by creating and updating several flooding maps during this period of time.

### **Judiciary and Court Related**

- The Public Defender and States Attorney worked with Court Services and Administration to initiate several court programs in 2013 including a Domestic Violence Court, the first graduation of offenders from the 22<sup>nd</sup> Circuit Drug Court, and the First Offender Program. These programs were designed to promote offender accountability, reduce unnecessary delay, and maintain lower recidivism rates.
- Effective September 2, 2013, the Twenty Second Judicial Circuit was approved by the Illinois Supreme Court to participate in the Civil E-filing program which will allow litigants to file documents remotely without having to come to the courthouse. McHenry County was only the 6<sup>th</sup> county in Illinois to receive approval. Successful implementation of this program will provide increased access to the court.

### **Public Health and Welfare**

- The Senior Service Grant Commission met in August of 2013 to review applications and requests for proposals for the FY2014 program year. The County Board approved the allocations for thirteen different programs by ten agencies for a total of \$1,724,998, to be distributed during FY2014. The Senior Services Grant Fund is the result of a referendum in April 2003, where voters approved the levy and collection of a tax not to exceed .025% for the purpose of providing transportation and social services for senior citizens in McHenry County.
- The McHenry County Workforce Network had over 8,700 visitors utilizing approximately 24,000 services at the Workforce Center. This was an increase of 52% in services accessed and a 9% increase in visits from 2012.
- The Health Department received a NACO Achievement Award for their Emergency Response Program initiative “Quick Reference Guide for Public Health Emergencies”, which is used to assist first responders with finding critical information in a public health emergency. This is the 15<sup>th</sup> NACO award the department has received since 1995.
- The “Enroll McHenry County” program through the McHenry County Department of Health (MCDH) was enabled by a \$500,000 one year federal grant provided through the Illinois Department of Public Health by the U.S. Department of Health and Human Services. The program allowed the MCDH to award six County organizations grants to conduct outreach, education, and enrollment as part of the Illinois Health Insurance Marketplace. MCDH was one of 44 community-based organizations across the State of Illinois to participate in the educational efforts of the Affordable Care Act (ACA), efforts of which began on October 1, 2013.

### **Debt Management**

The County’s Debt Issuance policy provides for guidelines and procedures to be used in the issuance and management of McHenry County’s debt instruments, as well as an understanding of the tasks, duties and responsibilities of the participants. Included in the policy are how requests are handled, the development of the Five Year Capital Improvement Plan annually, the selection of consultants, counsel and underwriters, and arbitrage. In fiscal year 2013, there was one debt issuance for governmental activities - one new capital lease in the amount of \$181,184, for the acquisition of computer equipment. There were no debt issuances for business-type activities during fiscal year 2013. Further information on the County’s outstanding debt can be found in the Management Discussion and Analysis and the Notes to Financial Statements.

## ***Credit Rating***

As of 2013, McHenry County continues to hold the Aaa rating that was affirmed in April 2012 by Moody's Investor Service when the issuance of \$5.6 million in Refunding Debt Certificates took place. This is the highest rating available and puts the County in the top tier of local governments in terms of financial strength in both Illinois and nationally. Historically, the first bond rating by Moody's was in 2002 with an Aa3, followed by an upgrade to Aa2 in 2003. In September 2006, the rating was adjusted to Aa2+, again upgraded to an Aa1 in June 2007 and in April 2010 was given the highest rating of Aaa. This attained rating will allow the County to issue debt at the lowest possible interest rate.

## ***McHenry County 2040 Transportation Plan***

The *McHenry County 2040 Transportation Plan* (The Plan) is intended to identify the County's future transportation needs and how to best address them. The Plan establishes a vision for McHenry County roadways as well as a set of actionable goals and objectives that serve as a road map to realizing that vision. In October 2013, a draft of the Plan was presented to the Transportation Committee of the County Board. In November 2013, open houses were held at six different locations across the County for the public to review the plan and discuss recommendations with County staff. It is anticipated that the Plan will be passed by the County Board in 2014. To learn more about the plan, go to [www.2040McHenryCountyPlan.org](http://www.2040McHenryCountyPlan.org).

## ***Legislative Programs***

The McHenry County Board has adopted a Federal Legislative Program for Federal Fiscal Year 2013. The major points of the program includes seeking the following: 1) Funds for stormwater management to complete comprehensive watershed and flood mitigation plans for the Lower Nippersink Creek Watershed and the Upper Fox River Watershed; 2) Additional funding to continue needed operational and safety improvements for sections of Charles J. Miller Road, River Road, and Chapel Hill Road by adding travel lanes, adequate turn lanes at other intersections, and bicycle and pedestrian improvements as needed; 3) Funding to add capacity to Randall Road, from Ackman Road to County Line Road, bicycle and pedestrian improvements, and future improvements to bus transit services; 4) Reauthorization of the Workforce Investment Act (WIA) which would assure some stability in providing for the best interests of both McHenry County businesses and job seekers; and 5) To insure a full continuum of services is available, especially our local behavioral health services, due to the redesign of our health system as required by the Affordable Care Act (ACA).

In addition, the County adopted a 2013 State Legislative Program which contained the following initiatives: 1) Fox Waterway Agency fee; 2) Opposition to holding two elected offices simultaneously; 3) Road de-icing salt requirements; 2) Property tax fairness; 3) Preventing fraudulent mortgage documents; 4) High capacity water wells; 5) Wireless surcharge for E-911; 6) Funding for agricultural conservation; 7) Transfer of development rights; 8) Equal the playing field for local governments in arbitration; and 9) McHenry County transportation projects. In addition, policy concerns were documented in several areas, including but not limited to: unfunded probation services; stormwater regulations; local government revenues; funding for social services; coal tar regulation; workers compensation reform; prevailing wage requirements; and performance-based transportation funding.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McHenry County for its CAFR for the fiscal year ended November 30, 2012. This was the 15<sup>th</sup> consecutive year that the county has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The GFOA award is valid for a period of one year. I believe that our Fiscal Year 2013 CAFR continues to meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for another certificate award.

The preparation of this report would not have been possible without the dedicated work and efficiency of the entire Auditor's Office staff. Special recognition goes to Financial Reporting Manager James Bernier, who works diligently and efficiently on all year-end financial reports and related accounting procedures to ensure accuracy, as well as managing the accounting process during the fiscal year. I also extend my appreciation to all of the elected officials and department directors, who along with their staff, cooperate in the gathering of information contained within this report. The valuable support and external audit work from our independent auditors, Baker Tilly Virchow Krause, LLP, is also to be noted.

Sincerely,

*Pamela Palmer*

Pamela Palmer

McHenry County Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

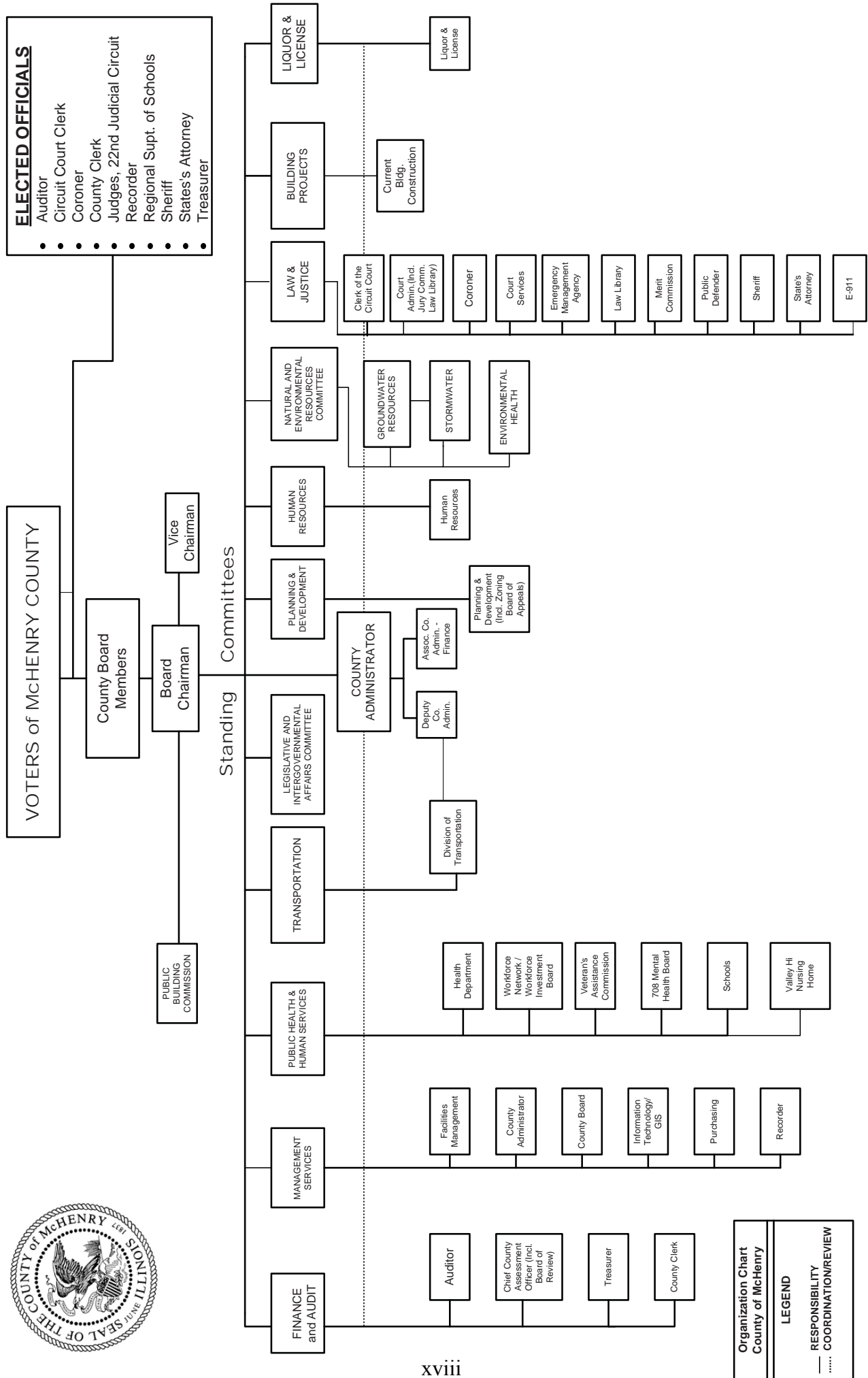
Presented to

**County of McHenry  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**November 30, 2012**

Executive Director/CEO



## **FINANCIAL**



## **INDEPENDENT AUDITORS' REPORT**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of the County Board  
County of McHenry, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the County of McHenry, Illinois' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the the Public Building Commission's Special Revenue Fund (Blended Component Unit) which represents .04 percent, .05 percent and .00 percent, respectively, of the assets, fund balances, and revenues of the other governmental funds and .01 percent, .01 percent, and .00 percent respectively, of the assets, net position, and revenues of the governmental activities. We also did not audit the financial statements of the Conservation District (Discretely Presented Component Unit), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Building Commission's Special Revenue Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit), is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Public Building Commission's Special Revenue Fund (Blended Component Unit), and the Conservation District (Discretely Presented Component Unit), were not audited in accordance with *Government Auditing Standards*.

To the Honorable Chair and Members of the County Board  
County of McHenry, Illinois

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of McHenry, Illinois' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of McHenry, Illinois' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois as of November 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the County of McHenry, Illinois adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective December 1, 2012. Our opinions are not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules of funding progress, and related notes, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Chair and Members of the County Board  
County of McHenry, Illinois

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The combining and individual fund financial statements and the schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The "Introductory" and "Statistical Section" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### *Prior-Year Comparative Information*

We have previously audited the County of McHenry, Illinois' 2012 financial statements, and we and other auditors expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated May 8, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the County of McHenry, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of McHenry, Illinois' internal control over financial reporting and compliance.

*Baker Tilly Vichow Krause, LLP*

Chicago, Illinois  
May 9, 2014



**Management's  
Discussion and  
Analysis**

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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This section of the County of McHenry, Illinois' (the "County") comprehensive annual financial report presents management's discussion and analysis (MD&A) of the financial activities of the County during the fiscal year ended November 30, 2013. Please read it in conjunction with the Transmittal Letter, located at the front of this report, and the basic financial statements, including the accompanying notes to financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- Total assets of the County exceeded its liabilities and deferred inflows of resources by \$451.6 million, as of November 30, 2013. Of this amount, \$269.1 million represents net investment in capital assets, \$109.6 million represents net position restricted for specific activities, and \$72.9 million represents unrestricted net position. \$398.3 million represents net position for governmental activities and \$53.3 million represents net position for business-type activities.
- Net position increased by \$10.1 million for governmental activities and increased by \$4.9 million for business-type activities, for the fiscal year ended November 30, 2013.
- The County's governmental funds reported combined ending fund balances of \$156.5 million, as of November 30, 2013, compared to \$161.1 million at November 30, 2012, which represents a decrease of \$4.6 million or 2.9%.
- The General Fund reported ending fund balance of \$51.9 million, as of November 30, 2013, compared to \$53.2 million at November 30, 2012, which represents a decrease of \$1.3 million or 2.4%.
- Governmental activities long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$47.6 million, as of November 30, 2013, compared to \$57.1 million as of November 30, 2012, which represents a net decrease of \$9.5 million or 16.6%. During the year, one new capital lease was issued for \$181,184 for the purchase of computer equipment. Business-type activities long-term obligations (excluding compensated absences and other post-employment benefit obligation) totaled \$29,934 as of November 30, 2013, compared to \$43,981 as of November 30, 2012. There were no issuances for business-type activities during fiscal year 2013.
- The County is \$202.5 million below its authorized debt limit as of November 30, 2013.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

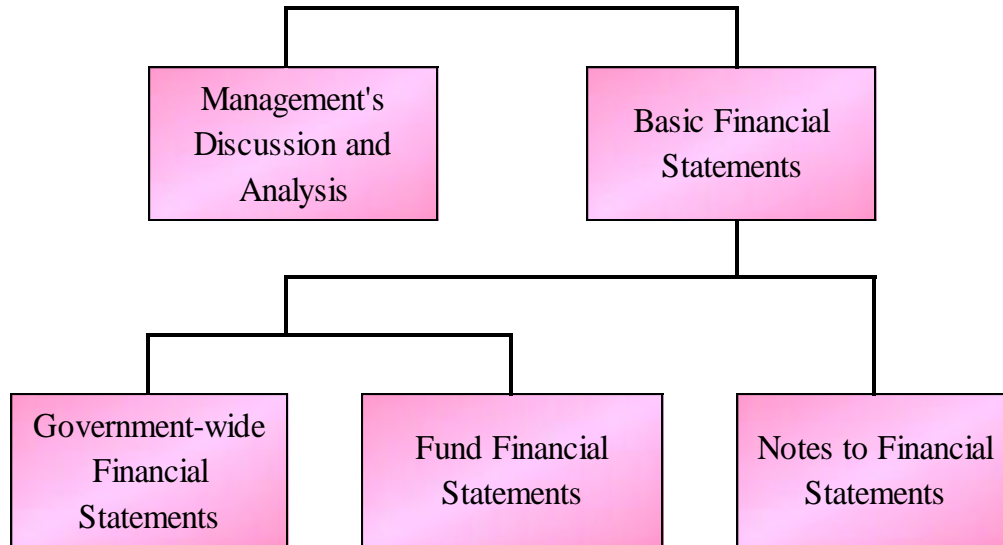
This section of MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements (see figure on following page). The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements.

In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial position of the County.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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**Required Components of the Comprehensive Annual Financial Report**



**Basic Financial Statements (BFS)**

The **BFS** include two kinds of statements and notes that present different perspectives of the County's financial activities.

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's overall financial position, in a manner similar to a private-sector business.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide financial statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes to Financial Statements**. The notes to financial statements include a summary of the County's significant accounting policies, as well as additional details on various items contained in the financial statements.

After the notes are the following sections: **Required supplementary information** contains the budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans and other post-employment benefits. **Supplementary information** is provided to show details about the County's individual non-major governmental funds, which are aggregated in a single column on the basic financial statements, and to show details about individual proprietary funds and fiduciary funds. Budgetary information required by State Statutes also can be found in this part of the comprehensive annual financial report. The **Statistical Section** presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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**Government-wide Financial Statements (GWFS)**

The GWFS are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The GWFS contains the *statement of net position* and the *statement of activities*, described below:

The *Statement of Net Position* presents information using the accrual basis of accounting, on all of the County's assets, liabilities, and deferred inflows/outflows of resources (including capital assets and short-term and long-term liabilities), with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the County's functions/programs (hereafter referred to as activities). Direct expenses are those that are specifically associated with an activity and are clearly identified with that activity. Program revenues are from charges for services paid by recipients or operating/capital grants and contributions. The comparison of direct expenses with program revenues identifies the extent to which each activity is self-financing or draws from the general revenues of the County. General revenues include property taxes, sales taxes, state income taxes, tax transfer stamps, other taxes, and investment income. The governmental activities of the County include general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare. The business-type activities of the County include the Valley Hi Nursing Home (public health and welfare) and the Emergency Telephone 911 operation (public safety). The government-wide financial statements also include two component units, which are legally separate organizations for which the County is financially accountable – the Public Building Commission (a blended component unit) and the McHenry County Conservation District (a discretely presented component unit). Financial information for the discretely presented component unit is reported separately from the primary government.

The GWFS can be found on pages 1 - 4 of this report.

**Fund Financial Statements (FFS)**

A fund is a fiscal and accounting entity that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental FFS are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds are reported using the modified accrual basis of accounting, which has a measurement focus of current financial resources. As a result, the governmental fund financial statements give a detailed short-term view to assist the reader in determining if there are more or less financial resources available to finance the County's programs. The difference between assets, liabilities, and deferred inflows/outflows of resources in governmental funds is reported as fund balance, which is presented in categories that describe the nature and extent of constraints on the use of resources that the County is bound to observe. The relationship between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.



**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for funds that are considered to be major funds. Governmental funds considered to be major for fiscal year 2013 are the General Fund, the County Mental Health Fund, and the County Highway Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The governmental FFS can be found on pages 5 - 8 of this report.

Proprietary FFS The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Valley Hi nursing home and for the Emergency Telephone 911 system operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses one internal service fund to account for employee and retiree healthcare benefits. Services are allocated to governmental activities and business-type activities on the government-wide financial statements based upon the actual level of services provided to these activities.

Proprietary FFS provide more detailed information than the business-type activities on the government-wide financial statements. The proprietary fund financial statements provide separate information for enterprise funds that are considered to be major funds. The Enterprise fund considered to be major for fiscal year 2013 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be nonmajor. Conversely, when multiple internal service funds are used, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary FFS can be found on pages 9 - 13 of this report.

Fiduciary FFS Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary FFS can be found on page 14 of this report.

## **Notes to Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS.

The notes to the financial statements can be found on pages 15 - 56 of this report.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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**Other information**

The County adopts an annual appropriation budget for its general, special revenue, debt service, capital projects and permanent funds. Budgets are adopted on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules are presented using the same format, language, and classifications as the legal budget document.

The budgetary comparison schedules present four columns: 1) the original budget as adopted by the County Board; 2) the final budget as amended by the County Board; 3) the actual resources, charges to appropriations, and ending balances; and 4) the variance between the final budget and the actual resources and charges.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI), which consists of budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans and other post-employment benefits. Following the RSI is the supplementary information section, which includes the combining statements, individual fund schedules, and budgetary comparison schedules for non-major governmental funds, as well as various statements and schedules for proprietary funds and fiduciary funds.

The RSI and supplementary information section can be found on pages 57 - 153 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. Total assets of the County exceeded its liabilities and deferred inflows of resources by \$451.6 million, as of November 30, 2013, as compared to net position of \$436.6 million as of November 30, 2012 (as restated); an increase of \$15.0 million or 3.4%. Of this amount, \$269.1 million represents net investment in capital assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. \$109.6 million represents restricted net position, which are resources that are subject to external restrictions on how they may be used. Finally, \$72.9 million represents unrestricted net position. \$398.3 million represents net position for governmental activities and \$53.3 million represents net position for business-type activities.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

The following table reflects the condensed Statement of Net Position as of November 30, 2013:

<b>Statement of Net Position</b>						
<b>November 30, 2013</b>						
	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current assets	\$ 256,556,272	\$ 259,102,510	\$ 44,595,767	\$ 39,414,024	\$ 301,152,039	\$ 298,516,534
Capital assets	294,617,346	287,875,470	14,503,788	15,562,811	309,121,134	303,438,281
 Total assets	 551,173,618	 546,977,980	 59,099,555	 54,976,835	 610,273,173	 601,954,815
 <b>Liabilities</b>						
Current liabilities	28,596,284	28,706,014	889,718	1,004,161	29,486,002	29,710,175
Noncurrent liabilities	50,025,208	56,735,382	389,085	332,670	50,414,293	57,068,052
 Total liabilities	 78,621,492	 85,441,396	 1,278,803	 1,336,831	 79,900,295	 86,778,227
 <b>Deferred Inflows of Resources</b>						
Property taxes levied for future period	74,266,525	73,330,000	4,500,000	5,250,000	78,766,525	78,580,000
 <b>Net Position</b>						
Net investment in capital assets	254,679,031	238,349,986	14,473,854	15,518,830	269,152,885	253,868,816
Restricted	109,592,257	111,049,850	-	-	109,592,257	111,049,850
Unrestricted	34,014,313	38,806,748	38,846,898	32,871,174	72,861,211	71,677,922
 Total net position	 \$ 398,285,601	 \$ 388,206,584	 \$ 53,320,752	 \$ 48,390,004	 \$ 451,606,353	 \$ 436,596,588

For more detailed information on the County's net position, please refer to the Statement of Net Position, found on pages 1 - 2.

**County of McHenry, Illinois**  
**Management's Discussion and Analysis (MD&A) (Unaudited)**  
**For the Year Ended November 30, 2013**

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2013:

**Changes in Net Position**  
**For the Fiscal Year Ended November 30, 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 26,086,540	\$ 28,635,503	\$ 12,738,582	\$ 12,972,263	\$ 38,825,122	\$ 41,607,766
Operating grants and contributions	21,636,743	22,450,688	-	-	21,636,743	22,450,688
Capital grants and contributions	1,588,971	255,707	-	-	1,588,971	255,707
General Revenues						
Property taxes	73,113,284	72,206,475	5,237,688	5,950,311	78,350,972	78,156,786
Sales taxes	18,718,620	18,036,621	-	-	18,718,620	18,036,621
State income taxes	6,234,765	5,749,691	-	-	6,234,765	5,749,691
Tax transfer stamps	1,896,811	1,258,599	-	-	1,896,811	1,258,599
Other taxes	2,005,449	2,006,647	-	-	2,005,449	2,006,647
Investment income	275,817	309,709	70,630	72,908	346,447	382,617
Miscellaneous	404,762	469,454	-	-	404,762	469,454
Gain on sale of capital assets	26,164	40,690	-	-	26,164	40,690
<b>Total Revenues</b>	<b>151,987,926</b>	<b>151,419,784</b>	<b>18,046,900</b>	<b>18,995,482</b>	<b>170,034,826</b>	<b>170,415,266</b>
<b>Expenses</b>						
General and administrative	36,716,979	35,519,392	-	-	36,716,979	35,519,392
Community development	4,031,197	4,286,876	-	-	4,031,197	4,286,876
Transportation	19,462,103	19,818,851	-	-	19,462,103	19,818,851
Public safety	40,757,655	38,884,186	2,666,421	2,580,677	43,424,076	41,464,863
Judiciary and court related	14,081,733	13,996,893	-	-	14,081,733	13,996,893
Public health and welfare	24,957,498	28,423,928	10,449,731	10,380,394	35,407,229	38,804,322
Interest and fiscal charges	1,901,744	2,336,518	-	-	1,901,744	2,336,518
<b>Total expenses</b>	<b>141,908,909</b>	<b>143,266,644</b>	<b>13,116,152</b>	<b>12,961,071</b>	<b>155,025,061</b>	<b>156,227,715</b>
<b>Changes in net position</b>	<b>10,079,017</b>	<b>8,153,140</b>	<b>4,930,748</b>	<b>6,034,411</b>	<b>15,009,765</b>	<b>14,187,551</b>
Net position - beginning of year (as previously stated)	388,469,143	380,316,003	48,390,004	42,355,593	436,859,147	422,671,596
Restatement	(262,559)	-	-	-	(262,559)	-
Net position - beginning of year (as restated)	388,206,584	380,316,003	48,390,004	42,355,593	436,596,588	422,671,596
<b>Net position - end of year</b>	<b>\$ 398,285,601</b>	<b>\$ 388,469,143</b>	<b>\$ 53,320,752</b>	<b>\$ 48,390,004</b>	<b>\$ 451,606,353</b>	<b>\$ 436,859,147</b>

The restatement of beginning net position relates to the implementation of a new accounting standard as of December 1, 2012. The amounts reported in the 2012 column did not require restatement. For more information, see note 18 on page 56.

For more detailed information on the operations of governmental and business-type activities, please refer to the Statement of Activities, found on pages 3 - 4.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

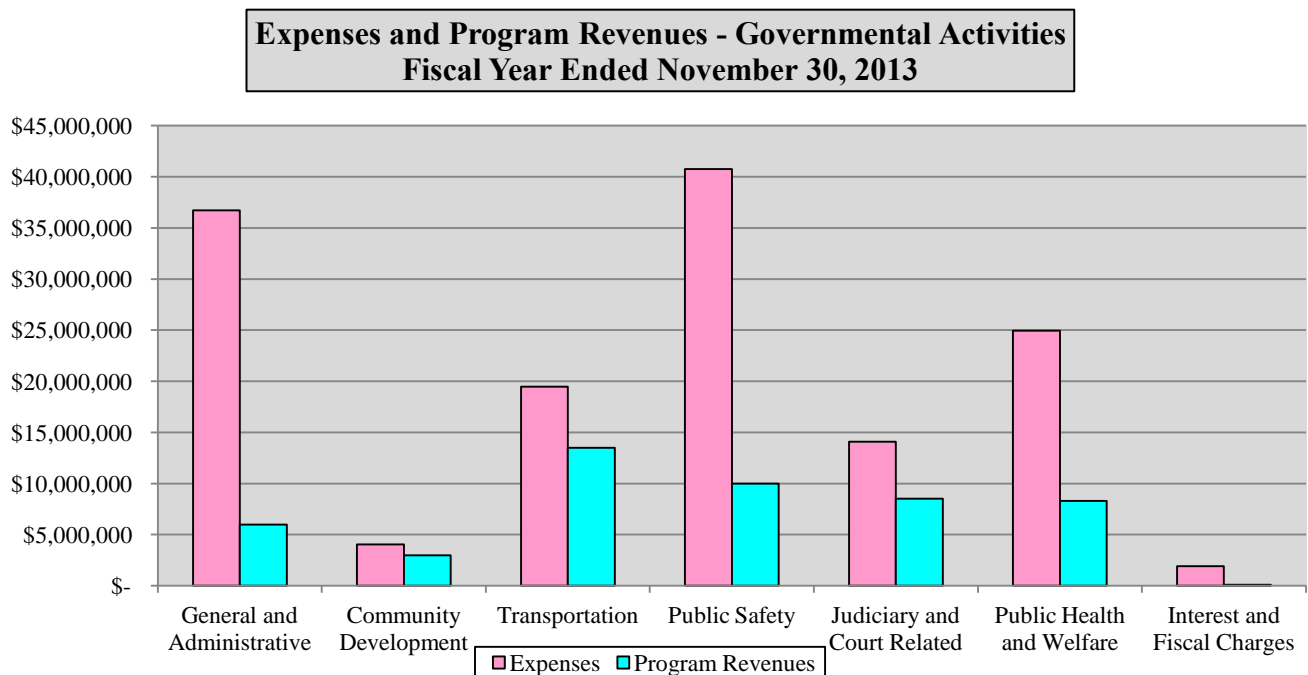
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**Governmental Activities**

Net position for governmental activities increased by \$10.1 million during fiscal year 2013. In total, revenues increased \$0.6 million or 0.4%, from \$151.4 million for fiscal year 2012 to \$152.0 million for fiscal year 2013. Noteworthy changes related to revenues were as follows: 1) Charges for services decreased by \$2.5 million or 8.7%, 2) Capital grants and contributions increased by \$1.3 million or 433.3%, and 3) Tax transfer stamps increased by \$0.6 million or 46.2%. The reasons for these noteworthy changes are as follows:

- Charges for services decreased from \$28.6 million for fiscal year 2012 to \$26.1 million for fiscal year 2013; a decrease of \$2.5 million or 8.7%. Under the charges for services category, one item was responsible for most of the overall decrease in the category. Jail space rental decreased from \$9.6 million for fiscal year 2012 to \$8.1 million for fiscal year 2013; a decrease of \$1.5 million or 15.6%. The decrease is due to a decline in the number of federal detainees that the County housed for the US Immigration and Customs Enforcement.
- Capital grants and contributions increased from \$0.3 million for fiscal year 2012 to \$1.6 million for fiscal year 2013; an increase of \$1.3 million or 433.3%. The increase is due to federal matching funds received for various County road and bridge construction bridges completed during fiscal year 2013.
- Tax transfer stamps increased from \$1.3 million for fiscal year 2012 to \$1.9 million for fiscal year 2013; an increase of \$0.6 million or 46.2%. Revenues in this category, which are imposed on real estate transactions in the County, peaked at \$5.0 million in fiscal year 2005. Revenues then decreased for six consecutive years, to a low of \$1.1 million in 2011. However, due to recent improvements in the local housing market, revenues have increased over the past two years.

The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2013:

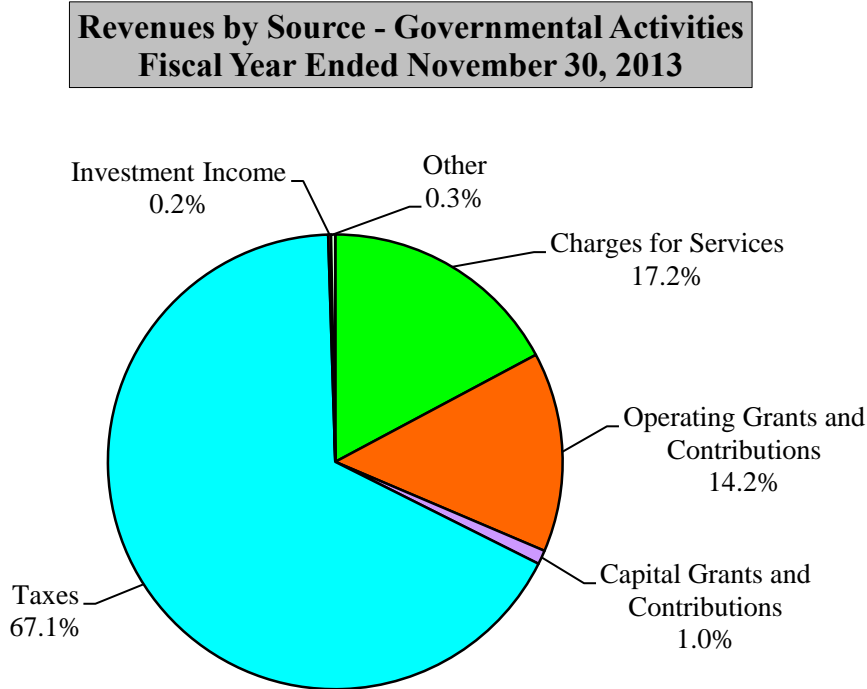


See analysis of governmental activities expenses on page XIII.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2013:



Revenues from governmental activities totaled \$152.0 million for the fiscal year ended November 30, 2013. Taxes (\$102.0 million, or 67.1%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$73.1 million or 71.7% of taxes and sales taxes totaled \$18.7 million or 18.3% of taxes, for a combined total of \$91.8 million or 90.0% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

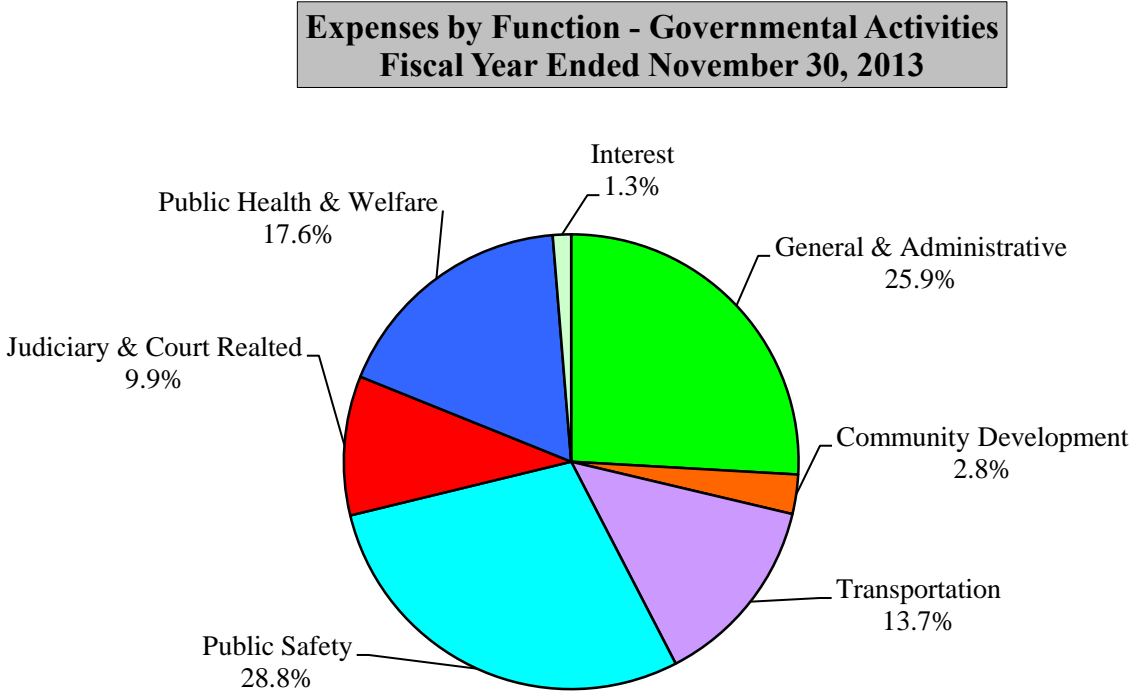
Charges for services (\$26.1 million, or 17.2%) represents the second largest revenue source. Charges for services are derived mainly from recording fees, jail space rental, Circuit Clerk fees, penalties on delinquent taxes, cable franchise fees, court security fees, sale of animal control tags, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Operating grants and contributions (\$21.6 million, or 14.2%) represents the third largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Mental Health Department, Workforce Network, Planning and Development, Facilities Management, and the Sheriff's Office. In addition, the Motor Fuel Tax Fund and County Option Motor Fuel Tax Fund receive fees imposed on gasoline purchases to be used for highway maintenance and improvements.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2013:



Expenses for governmental activities totaled \$141.9 million for the fiscal year ended November 30, 2013. The largest component of governmental activities expenses is public safety, which totaled \$40.8 million, or 28.8% of total governmental activities expenses. Expenses in this category include the operations of the Sheriff, Coroner, and Emergency Management offices. The Sheriff's Office represents the largest component of public safety and activities performed include patrol, detectives, narcotics, County jail, and County garage.

The second largest component of governmental activities expenses is general and administrative, which totaled \$36.7 million, or 25.9% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$25.0 million, or 17.6% of total governmental activities expenses. The Health Department and the Mental Health Department represent the largest components of the public health and welfare activity. Also included in this activity are the operations of the Workforce Network and Veteran's Assistance.

The fourth largest component of governmental activities expenses is transportation, which totaled \$19.5 million, or 13.7% of total governmental activities expenses. All transportation expenses represent the operations of the Division of Transportation.

The fifth largest component of governmental activities expenses is judiciary and court related, which totaled \$14.1 million, or 9.9% of total governmental activities expenses. Expenses for this activity include the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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The sixth largest component of governmental activities expenses is community development, which totaled \$4.0 million, or 2.8% of total governmental activities expenses. All community development expenses represent the operations of the Planning and Development Department.

The smallest component of governmental activities expenses is interest, which totaled \$1.9 million, or 1.3% of total governmental activities expenses. Interest represents payments on long-term obligations, including debt certificates and capital leases. See page XVIII for further discussion of long-term obligations.

### **Business-type Activities**

For the fiscal year ended November 30, 2013, net position for business-type activities increased by \$4.9 million, from \$48.4 million at November 30, 2012 to \$53.3 million at November 30, 2013. Total revenues for business-type activities decreased from \$19.0 million for fiscal year 2012 to \$18.0 million for fiscal year 2013; a decrease of \$1.0 million or 5.3%. The decrease in total revenue is primarily due to a decrease in the property tax levy for the Valley Hi nursing home, which decreased from \$6.0 million for fiscal year 2012 to \$5.3 million for fiscal year 2013, a decrease of \$0.7 million or 11.7%. The property tax levy was reduced because all outstanding debt certificates were paid off in fiscal year 2012.

Total expenses for business-type activities increased from \$13.0 million for fiscal year 2012 to \$13.1 million for fiscal year 2013; an increase of \$0.1 million or 0.8%. The consistent level of expenses from fiscal year 2012 to fiscal year 2013 reflects a lack of significant changes, capital projects, or other activities that may otherwise cause an increase or decrease in total expenses.

For more detailed information, please refer to the Statement of Activities on pages 3 – 4.

## **MAJOR FUNDS FINANCIAL ANALYSIS**

### **Governmental Funds**

The General Fund is the primary operating fund of the County. The fund experienced a decrease in fund balance of \$1.3 million for fiscal year 2013. Total revenues increased \$0.2 million or 0.2%, from \$82.5 million for fiscal year 2012 to \$82.7 million for fiscal year 2013. The revenue category that experienced the largest decrease was charges for services, which decreased from \$22.0 million for fiscal year 2012 to \$19.4 million for fiscal year 2013; a decrease of \$2.6 million or 11.8%. Under the charges for services category, one item was responsible for most of the overall decrease in the category. Jail space rental decreased from \$9.6 million for fiscal year 2012 to \$8.1 million for fiscal year 2013; a decrease of \$1.5 million or 15.6%. The decrease is due to a decline in the number of federal detainees that the County housed for the US Immigration and Customs Enforcement. The revenue category that experienced the largest increase is property taxes, which increased \$1.1 million or 3.0%, from \$36.7 million for fiscal year 2012 to \$37.8 million for fiscal year 2013. The increase in property taxes is due to an increase in the amount of the County's property tax levy. The general fund property tax levy increased from \$37.0 million for fiscal year 2012 to \$37.9 million for fiscal year 2013, an increase of \$0.9 million or 2.4%. A small portion of property tax revenue represents collections from prior year levies, but most collections are for the current year levy. In 2013, the County experienced a collection rate of 99.8% of the current year levy.



**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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Total General Fund expenditures increased \$1.6 million or 2.0%, from \$78.4 million for fiscal year 2012 to \$80.0 million for fiscal year 2013. The expenditure category with the largest increase was public safety, which increased from \$32.1 million for fiscal year 2012 to \$32.9 million for fiscal year 2013; an increase of \$0.8 million or 2.5%. The increase in this category is mainly due to contractually required salary increases. See the budgetary variances section below for more information on the general fund.

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an increase in fund balance of \$1.2 million for fiscal year 2013. Total revenues decreased \$1.0 million or 7.5%, from \$13.3 million for fiscal year 2012 to \$12.3 million for fiscal year 2013. The decrease in revenues is due to a decrease in the amount of the County's mental health property tax levy, which decreased from \$12.8 million for fiscal year 2012 to \$11.9 million for fiscal year 2013, a decrease of \$0.9 million or 7.0%. Total expenditures decreased \$2.3 million or 17.7%, from \$13.0 million for fiscal year 2012 to \$10.7 million for fiscal year 2013. The decrease in expenditures is primarily due to a one-time charge of \$1.5 million in fiscal year 2012, to account for cash advance loans to local agencies that were not expected to be collectable. The fund also provides transfers to other funds to pay principal and interest costs on Series 2010B debt certificates, which were used for the expansion of the County mental health facility.

The County Highway Fund accounts for expenditures for highway maintenance and construction. The fund experienced an increase in fund balance of \$0.3 million for fiscal year 2013. Total revenues increased \$1.0 million or 14.1%, from \$7.1 million for fiscal year 2012 to \$8.1 million for fiscal year 2013. The increase in revenues is mostly due to increased federal funding for various road construction projects. Total expenditures increased \$2.1 million or 16.7%, from \$12.6 million for fiscal year 2012 to \$14.7 million for fiscal year 2013. The primary reason for the increase in expenditures is the timing of various road construction projects. As of November 30, 2013, the County Highway Fund had encumbrances for contractual commitments related to on-going projects totaling \$6.7 million.

#### **Proprietary Funds**

The Valley Hi Fund accounts for the activities of the Valley Hi nursing home. The fund experienced an increase in net position of \$5.0 million for fiscal year 2013. However, when considering only the operating revenues and expenses of the fund, the fund experienced an operating loss of \$0.3 million for fiscal year 2013, compared to an operating loss of \$0.1 million for fiscal year 2012. The biggest reason for the overall increase in net position is nonoperating revenues, specifically property taxes. Property tax revenue was \$5.2 million for fiscal year 2013. Voters approved a referendum in 2002 authorizing the Valley Hi fund to levy property taxes.

#### **GENERAL FUND BUDGETARY VARIANCES**

**Revenue Budget:** The revenue budget for the general fund was increased by \$0.9 million during fiscal year 2013, through budget amendments approved by the County Board, from the original budget of \$85.4 million to the final budget of \$86.3 million. The category with the largest increase was tax transfer stamps, which had an original budget of \$1.2 million and a final budget of \$1.7 million; an increase of \$0.5 million or 41.7%. The reason for this increase was higher than anticipated document recordings by the Recorder's Office. As noted earlier, recent improvements in the local housing market have led to an increase in tax transfer stamp revenue over the past two years.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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**Appropriation Budget:** The appropriation budget for expenditures for the general fund was increased by \$3.8 million during fiscal year 2013, through emergency appropriations approved by the County Board, from the original budget of \$82.8 million to the final budget of \$86.6 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$2.4 million or 218.2%, from the original budget of \$1.1 million to the final budget of \$3.5 million. Individual increases within the capital outlay budget include \$1.0 million for a software project for the Public Defender and State's Attorney, \$0.4 million for software projects for the Planning and Development Department, and \$0.3 million for rooftop chillers for the courthouse facility.

**Budget to Actual – Revenue:** Total revenues for the general fund were \$82.7 million, while the final budget totaled \$86.3 million, which is a variance of \$3.6 million. One significant revenue source that had budgeted revenues in excess of actual revenue was charges for services. Budgeted revenues for charges for services was \$23.3 million, compared to actual revenues of \$19.4 million, which is a variance of \$3.9 million. As previously noted, the variance in this category is mainly due to jail space rental, which decreased from \$9.6 million for fiscal year 2012 to \$8.1 million for fiscal year 2013; a decrease of \$1.5 million or 15.6%. Budgeted revenues for jail space rental was \$10.8 million, compared to actual revenues of \$8.1 million, which is a variance of \$2.7 million. The decrease in this category is due to a decline in the number of federal detainees that the County housed for the US Immigration and Customs Enforcement. One revenue source that had actual revenue in excess of budgeted revenues was sales taxes. Actual revenues for sales taxes was \$9.4 million, which exceeded budgeted revenues of \$8.7 million; a variance of \$0.7 million. One factor related to higher than expected sales taxes was a slight improvement in the local unemployment rate from 8.4% in 2012 to 8.3% in 2013.

**Budget to Actual – Expenditures:** Actual expenditures for the general fund totaled \$80.0 million, while the final budget totaled \$86.6 million, which is a variance of \$6.6 million. The activity that had the largest variance was general and administrative, which had expenditures of \$27.0 million, compared to a final budget of \$29.3 million, which is a variance of \$2.3 million. Significant factors related to this variance include \$0.2 million in leftover contingency budget, which is designed to provide the County with sufficient budget to cover unforeseen events and circumstances. Another variance was for health insurance premiums for general fund employees, for which actual expenditures were \$10.8 million, while the final budgeted amount was \$11.6 million, which is a variance of \$0.8 million. Because the County is self-insured for health insurance claims, the budget is based on an estimate of prior years' experiences, but actual expenditures in any given year can vary based the actual volume and types of claims filed. Another significant variance was for open positions and other related personnel budget, for which there was \$0.7 million in unspent budget. Finally, actual expenditures for electricity and natural gas were \$0.9 million, compared to the final budget of \$1.1 million, which is a variance of \$0.2 million. The variance was due to lower than anticipated energy costs.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

**Capital Assets** – As of November 30, 2013, capital assets, net of accumulated depreciation/amortization, totaled \$294.6 million for governmental activities and \$14.5 million for business-type activities, for a total of \$309.1 million for the County.

**Capital Assets**  
**(net of accumulated depreciation/amortization)**  
**November 30, 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 61,054,564	\$ 60,573,064	\$ 6,000	\$ 6,000	\$ 61,060,564	\$ 60,579,064
Construction in Progress	51,732,949	42,960,094	-	-	51,732,949	42,960,094
Infrastructure	102,150,724	100,533,677	-	-	102,150,724	100,533,677
Buildings and Improvements	62,108,521	64,580,915	11,043,205	11,397,646	73,151,726	75,978,561
Land Improvements	169,598	175,571	204,609	219,758	374,207	395,329
Furniture and Fixtures	735,996	840,243	148,108	196,927	884,104	1,037,170
Machinery and Equipment	12,041,942	13,582,028	577,070	803,939	12,619,012	14,385,967
Computer Software	3,488,916	3,572,465	2,516,618	2,926,274	6,005,534	6,498,739
Transportation Equipment	1,134,136	1,057,413	8,178	12,267	1,142,314	1,069,680
Total capital assets	<u>\$ 294,617,346</u>	<u>\$ 287,875,470</u>	<u>\$ 14,503,788</u>	<u>\$ 15,562,811</u>	<u>\$ 309,121,134</u>	<u>\$ 303,438,281</u>

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$287.9 million at November 30, 2012 to \$294.6 million at November 30, 2013; a net increase of \$6.7 million, or 2.3%. Capital asset additions totaled \$16.3 million and depreciation/amortization expense was \$9.6 million. Significant additions include \$13.2 million for road and bridge construction projects, of which \$3.6 million was for Miller Road, \$3.1 million was for Rakow Road, \$1.7 million was for Virginia Rd, \$1.3 million was for Walkup Road, and \$1.0 million was for Fleming Road. Other significant additions include \$0.6 million for a software project for the Public Defender and State's Attorney, \$0.5 million for right of way acquisitions, \$0.5 million for vehicles, and \$0.5 million for machinery and equipment. During fiscal year 2013, various projects were placed in service and taken out of construction in progress. Projects placed in service included \$0.5 million for computer software projects and \$0.1 million for various building improvements.

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$15.6 million at November 30, 2012 to \$14.5 million at November 30, 2013; a net decrease of \$1.1 million, or 7.1%. Capital asset additions totaled \$19,842 and depreciation/amortization expense was \$1.1 million. There were no significant individual capital asset additions during fiscal year 2013.

For more detailed information on the County's capital assets, see Note 5 of the Notes to Financial Statements on pages 31 – 33.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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**Long-term Obligations** – As of November 30, 2013, Long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$47.6 million for governmental activities and \$29,934 for business-type activities, for a total of \$47.6 million.

**Long-term Obligations**  
**November 30, 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Capital Leases	\$ 1,395,982	\$ 1,927,676	\$ 29,934	\$ 43,981	\$ 1,425,916	\$ 1,971,657
Debt Certificates	46,205,000	55,180,000	-	-	46,205,000	55,180,000
Total long-term obligations	<u>\$ 47,600,982</u>	<u>\$ 57,107,676</u>	<u>\$ 29,934</u>	<u>\$ 43,981</u>	<u>\$ 47,630,916</u>	<u>\$ 57,151,657</u>

Current year issuances for governmental activities were as follows: One new capital lease in the amount of \$181,184 was issued for the acquisition of computer equipment.

There were no issuances for business-type activities during fiscal year 2013.

Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act). As of November 30, 2013, the County's debt limit was \$227.3 million, while actual outstanding debt subject to the limit was \$24.8 million, leaving the County \$202.5 million under the debt limit.

The County's most recent bond rating by Moody's Investors Service was graded AAA. This highest level rating reduces the cost of raising capital for County projects, resulting in substantial savings for taxpayers.

For more detailed information on the County's long-term obligations, see Note 6 of the Notes to Financial Statements on pages 34 – 42.

### ECONOMIC FACTORS

The major fund financial analysis and the government-wide financial analysis presented earlier in MD&A provide valuable insights into whether the County's near-term and overall financial position has improved or deteriorated. However, since the County doesn't exist in a vacuum, many different economic conditions and circumstances will ultimately affect the County's future financial position. Considering major economic factors can provide context for interpreting current financial information, as well as provide a basis for assessing the likelihood that the County's current financial position will improve or deteriorate in the future.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2013

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One key factor that affects the County's operating results is population growth. The County's population has increased from 183,241 in 1990, to 260,077 in 2000, and to 307,409 in 2013. A growing population requires the County to expand its operations, in order to provide essential services to the citizens of the County. Accordingly, the number of County full-time equivalent employees has increased as well, from 877 in 2000 to 1,212 in 2013.

For more detailed statistical information, see the statistical section on pages 154 – 177.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of McHenry, Illinois, Auditor's Office, 2200 North Seminary Avenue, Woodstock, Illinois, 60098. This report can also be found on the County website at: <https://www.co.mchenry.il.us/county-government/departments-a-i/auditor/comprehensive-annual-financial-reports>.

## **BASIC FINANCIAL STATEMENTS**

# County of McHenry, Illinois

## STATEMENT OF NET POSITION

November 30, 2013

(With Comparative Totals - Primary Government for November 30, 2012)

	Primary Government				
	Governmental	Business-	Totals		Component
	Activities	Type	2013	2012	Unit
		Activities			
ASSETS					
Current					
Cash and equivalents	\$ 162,466,388	\$ 38,436,584	\$ 200,902,972	\$ 199,637,669	\$ 15,506,825
Receivables					
Property taxes	74,266,525	4,500,000	78,766,525	78,580,000	19,369,513
Accounts	-	2,471,389	2,471,389	2,674,828	-
Other	1,593,025	643,643	2,236,668	2,308,357	15,364
Due from other governments	16,120,248	-	16,120,248	14,512,407	254,285
Internal balances	1,556,503	(1,556,503)	-	-	-
Prepaid expenses	-	100,654	100,654	157,687	-
Inventory	553,583	-	553,583	645,586	-
Total current assets	256,556,272	44,595,767	301,152,039	298,516,534	35,145,987
Noncurrent					
Capital Assets					
Land	61,054,564	6,000	61,060,564	60,579,064	204,641,148
Construction in progress	51,732,949	-	51,732,949	42,960,094	2,875,692
Capital assets, net of depreciation/amortization	181,829,833	14,497,788	196,327,621	199,899,123	24,913,685
Total noncurrent assets	294,617,346	14,503,788	309,121,134	303,438,281	232,430,525
Total Assets	551,173,618	59,099,555	610,273,173	601,954,815	267,576,512
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	-	-	133,665

	Primary Government				
	Governmental	Business-	Totals		Component
	Activities	Type	2013	2012	Unit
		Activities			
LIABILITIES					
Current					
Accounts payable	\$ 7,946,276	\$ 269,981	\$ 8,216,257	\$ 8,307,963	\$ 328,423
Accrued expenses	4,534,883	292,077	4,826,960	5,171,807	1,569,436
Unearned revenue	540	-	540	135,413	43,235
Other liabilities	849,668	242,012	1,091,680	1,207,714	-
Current portion of long-term obligations	15,264,917	85,648	15,350,565	14,887,278	5,706,648
Total current liabilities	28,596,284	889,718	29,486,002	29,710,175	7,647,742
Noncurrent					
Noncurrent portion of long-term obligations	50,025,208	389,085	50,414,293	57,068,052	134,636,956
Total Liabilities	78,621,492	1,278,803	79,900,295	86,778,227	142,284,698
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future period	74,266,525	4,500,000	78,766,525	78,580,000	19,369,513
NET POSITION					
Net investment in capital assets	254,679,031	14,473,854	269,152,885	253,868,816	92,933,729
Restricted for:					
Recorder's Office	2,107,461	-	2,107,461	1,745,215	-
Treasurer's Office	420,300	-	420,300	345,329	-
Liability insurance	15,189,846	-	15,189,846	14,836,224	160,092
Geographic information systems	1,884,222	-	1,884,222	1,759,098	-
Other administrative purposes	87,720	-	87,720	80,785	-
Community development	205,198	-	205,198	8,790	-
Transportation	67,580,531	-	67,580,531	70,760,281	-
Public safety	418,962	-	418,962	368,320	-
Judiciary and court related	2,191,825	-	2,191,825	2,280,516	-
Public health and welfare	16,320,310	-	16,320,310	15,135,354	-
Employee benefits	2,339,765	-	2,339,765	2,871,154	-
Public Building Commission	45,456	-	45,456	52,876	-
Debt service	-	-	-	5,247	859,181
Land acquisition and site improvement	-	-	-	-	1,476,904
Other	-	-	-	-	16,167
Working cash - permanently restricted	800,661	-	800,661	800,661	-
Unrestricted	34,014,313	38,846,898	72,861,211	71,677,922	10,609,893
Total Net Position	\$ 398,285,601	\$ 53,320,752	\$ 451,606,353	\$ 436,596,588	\$ 106,055,966

See accompanying notes to financial statements.



# County of McHenry, Illinois

## STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2013

(With Comparative Totals - Primary Government for the Year Ended November 30, 2012)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 36,716,979	\$ 5,896,726	\$ 81,356	\$ -
Community development	4,031,197	458,793	2,520,304	-
Transportation	19,462,103	88,320	11,909,785	1,486,690
Public safety	40,757,655	9,757,347	218,755	-
Judiciary and court related	14,081,733	8,078,390	422,617	-
Public health and welfare	24,957,498	1,806,964	6,483,926	-
Interest and fiscal charges	1,901,744	-	-	102,281
Total Governmental Activities	141,908,909	26,086,540	21,636,743	1,588,971
Business-Type Activities				
Public health and welfare	10,449,731	10,196,234	-	-
Public safety	2,666,421	2,542,348	-	-
Total Business-Type Activities	13,116,152	12,738,582	-	-
Total Primary Government	\$ 155,025,061	\$ 38,825,122	\$ 21,636,743	\$ 1,588,971
Component Unit				
Conservation District	\$ 17,404,389	\$ 1,812,495	\$ 2,658	\$ 928,411
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Tax transfer stamps				
Other taxes				
Unrestricted intergovernmental revenues				
State income taxes				
Investment income				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year (as previously stated)				
Restatement (see Note 18)				
Net Position - Beginning of Year (as restated)				
Net Position - End of Year				
See accompanying notes to financial statements.				

Net (Expenses) Revenues and Changes in Net Position Primary Government				
Governmental Activities	Business-Type Activities	Totals		Component Unit
		2013	2012	
\$ (30,738,897)	\$ -	\$ (30,738,897)	\$ (29,347,455)	\$ -
(1,052,100)	-	(1,052,100)	(1,378,256)	-
(5,977,308)	-	(5,977,308)	(7,093,460)	-
(30,781,553)	-	(30,781,553)	(27,065,244)	-
(5,580,726)	-	(5,580,726)	(4,985,260)	-
(16,666,608)	-	(16,666,608)	(19,792,237)	-
(1,799,463)	-	(1,799,463)	(2,262,834)	-
(92,596,655)	-	(92,596,655)	(91,924,746)	-
-	(253,497)	(253,497)	(144,567)	-
-	(124,073)	(124,073)	155,759	-
-	(377,570)	(377,570)	11,192	-
(92,596,655)	(377,570)	(92,974,225)	(91,913,554)	-
-	-	-	-	(14,660,825)
73,113,284	5,237,688	78,350,972	78,156,786	19,286,175
18,718,620	-	18,718,620	18,036,621	-
1,896,811	-	1,896,811	1,258,599	-
2,005,449	-	2,005,449	2,006,647	170,886
6,234,765	-	6,234,765	5,749,691	-
275,817	70,630	346,447	382,617	53,755
404,762	-	404,762	469,454	34,650
26,164	-	26,164	40,690	22,984
102,675,672	5,308,318	107,983,990	106,101,105	19,568,450
10,079,017	4,930,748	15,009,765	14,187,551	4,907,625
388,469,143	48,390,004	436,859,147	422,671,596	101,973,102
(262,559)	-	(262,559)	-	(824,761)
388,206,584	48,390,004	436,596,588	422,671,596	101,148,341
\$ 398,285,601	\$ 53,320,752	\$ 451,606,353	\$ 436,859,147	\$ 106,055,966

**County of McHenry, Illinois**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
November 30, 2013

	General Fund	County Mental Health Fund	County Highway Fund	Total Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and equivalents	\$ 50,133,948	\$ 9,314,896	\$ 6,282,726	\$ 93,124,195	\$ 158,855,765
Property taxes receivable	38,840,500	10,900,000	6,400,000	18,126,025	74,266,525
Other receivables	220,641	42,307	92,402	1,237,675	1,593,025
Due from other governments	7,999,086	141,932	1,486,997	6,492,233	16,120,248
Due from other funds	10,680	-	3,070,117	379,379	3,460,176
Inventory	129,078	769	37,189	386,547	553,583
Advance to other funds	1,605,137	-	-	-	1,605,137
<b>Total Assets</b>	<b>\$ 98,939,070</b>	<b>\$ 20,399,904</b>	<b>\$ 17,369,431</b>	<b>\$ 119,746,054</b>	<b>\$ 256,454,459</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,062,732	\$ 953,159	\$ 2,923,996	\$ 3,004,449	\$ 7,944,336
Accrued payroll	2,024,222	76,315	141,134	1,553,310	3,794,981
Unearned revenue	-	-	-	540	540
Due to other funds	2,795,160	42,998	161,500	3,170,073	6,169,731
Advance from other funds	-	-	-	1,605,137	1,605,137
Other liabilities	849,668	-	-	-	849,668
<b>Total Liabilities</b>	<b>6,731,782</b>	<b>1,072,472</b>	<b>3,226,630</b>	<b>9,333,509</b>	<b>20,364,393</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for future period	38,840,500	10,900,000	6,400,000	18,126,025	74,266,525
Unavailable revenue	1,467,873	137,557	1,476,093	2,193,587	5,275,110
<b>Total Deferred Inflows of Resources</b>	<b>40,308,373</b>	<b>11,037,557</b>	<b>7,876,093</b>	<b>20,319,612</b>	<b>79,541,635</b>
<b>Fund Balances (deficit)</b>					
Nonspendable	1,310,108	769	37,189	1,187,208	2,535,274
Restricted	534,121	8,289,106	6,229,519	88,375,574	103,428,320
Committed	-	-	-	1,902,877	1,902,877
Assigned	3,497,757	-	-	-	3,497,757
Unassigned	46,556,929	-	-	(1,372,726)	45,184,203
<b>Total Fund Balances</b>	<b>51,898,915</b>	<b>8,289,875</b>	<b>6,266,708</b>	<b>90,092,933</b>	<b>156,548,431</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 98,939,070</b>	<b>\$ 20,399,904</b>	<b>\$ 17,369,431</b>	<b>\$ 119,746,054</b>	<b>\$ 256,454,459</b>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
November 30, 2013

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Total Fund Balances - Governmental Funds	\$ 156,548,431
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the governmental funds.	294,617,346
Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds.	5,275,110
Premiums and discounts associated with the issuance of long-term debt represent other financing sources (uses) in governmental funds in the year that the debt is issued. In the Statement of Net Position, these costs are capitalized and amortized over the life of the debt. This is the amount of unamortized premiums and discounts included in governmental activities in the Statement of Net Position.	(490,099)
Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	5,297,684
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Accrued interest	(737,946)
Compensated absences	(4,982,529)
Capital leases	(1,395,982)
Debt certificates	(46,205,000)
Claims and judgments - all other claims	(4,224,570)
Other post-employment benefit obligation	<u>(5,416,844)</u>
Total Net Position - Governmental Activities	\$ <u><u>398,285,601</u></u>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended November 30, 2013**

	General Fund	County Mental Health Fund	County Highway Fund	Total Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Charges for services	\$ 19,413,079	\$ -	\$ 2,342	\$ 4,657,436	\$ 24,072,857
Licenses and permits	1,078,123	-	85,978	-	1,164,101
Fines and forfeitures	931,083	-	-	27,125	958,208
Grants, contributions, and intergovernmental	3,779,432	511,793	1,319,060	15,623,081	21,233,366
Property taxes	37,791,230	11,802,095	6,584,542	16,935,417	73,113,284
Sales taxes	9,404,408	-	-	9,314,212	18,718,620
State income taxes	6,234,765	-	-	-	6,234,765
Tax transfer stamps	1,896,811	-	-	-	1,896,811
Other taxes	1,879,106	-	-	126,343	2,005,449
Investment income	96,857	10,312	7,367	154,195	268,731
Miscellaneous	197,075	7,593	83,906	142,352	430,926
Total Revenues	<u>82,701,969</u>	<u>12,331,793</u>	<u>8,083,195</u>	<u>46,980,161</u>	<u>150,097,118</u>
<b>EXPENDITURES</b>					
Current					
General and administrative	26,961,889	-	-	5,555,210	32,517,099
Community development	1,432,644	-	-	2,528,927	3,961,571
Transportation	-	-	9,950,194	7,176,749	17,126,943
Public safety	32,873,308	-	-	5,316,429	38,189,737
Judiciary and court related	9,494,507	-	-	3,938,127	13,432,634
Public health and welfare	6,636,553	10,748,822	-	7,530,460	24,915,835
Capital outlay	1,860,846	-	4,792,708	6,239,429	12,892,983
Debt service					
Principal retirement	681,871	-	-	9,006,007	9,687,878
Interest and fiscal charges	63,396	-	-	2,076,823	2,140,219
Total Expenditures	<u>80,005,014</u>	<u>10,748,822</u>	<u>14,742,902</u>	<u>49,368,161</u>	<u>154,864,899</u>
Excess (deficiency) of revenues over expenditures	<u>2,696,955</u>	<u>1,582,971</u>	<u>(6,659,707)</u>	<u>(2,388,000)</u>	<u>(4,767,781)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	229,352	31,792	13,133,879	11,064,327	24,459,350
Transfers out	(4,432,796)	(416,153)	(6,194,878)	(13,415,523)	(24,459,350)
Capital leases issued	181,184	-	-	-	181,184
Total Other Financing Sources (Uses)	<u>(4,022,260)</u>	<u>(384,361)</u>	<u>6,939,001</u>	<u>(2,351,196)</u>	<u>181,184</u>
Net Change in Fund Balances	(1,325,305)	1,198,610	279,294	(4,739,196)	(4,586,597)
Fund Balance - Beginning of Year	<u>53,224,220</u>	<u>7,091,265</u>	<u>5,987,414</u>	<u>94,832,129</u>	<u>161,135,028</u>
Fund Balance - End of Year	<u>\$ 51,898,915</u>	<u>\$ 8,289,875</u>	<u>\$ 6,266,708</u>	<u>\$ 90,092,933</u>	<u>\$ 156,548,431</u>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**TO STATEMENT OF ACTIVITIES**  
For the Year Ended November 30, 2013

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Net Change in Fund Balances - Governmental Funds	\$ (4,586,597)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	12,892,983
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(1,977,675)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	3,941,623
Some items that are capitalized represent contributed assets.	1,486,690
Depreciation/amortization are reported in the government-wide financial statements.	(9,601,745)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds (or were reported in the prior year), as follows:

Charges for services	(108,626)
Operating grants and contributions	849,925
Capital grants and contributions	33,054
Investment income	(163)

Internal service funds are used by management to charge insurance costs to individual funds.	459,847
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Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.	9,687,878
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Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position.	(181,184)
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Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are capitalized and amortized in the Statement of Activities.	80,475
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(306,347)
Decrease in accrued interest	158,000
Increase in claims and judgments - all other claims	(1,297,567)
Increase in other post-employment benefit obligation	(1,451,554)

Change in Net Position - Governmental Activities	\$ <u><u>10,079,017</u></u>
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See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
November 30, 2013

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
<b>ASSETS</b>				
Current Assets				
Cash and equivalents	\$ 34,960,424	\$ 3,476,160	\$ 38,436,584	\$ 3,610,623
Property taxes receivable	4,500,000	-	4,500,000	-
Accounts receivable	2,471,389	-	2,471,389	-
Other receivables	18,392	625,251	643,643	-
Due from other funds	-	-	-	3,053,566
Prepaid expenses	14,665	85,989	100,654	-
	<u>41,964,870</u>	<u>4,187,400</u>	<u>46,152,270</u>	<u>6,664,189</u>
Total Current Assets				
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Buildings and improvements	14,529,570	-	14,529,570	-
Land improvements	302,971	-	302,971	-
Furniture and fixtures	472,332	15,857	488,189	-
Machinery and equipment	398,311	1,891,022	2,289,333	-
Transportation equipment	71,164	19,053	90,217	-
Computer software	38,253	4,390,272	4,428,525	-
Less: accumulated depreciation/ amortization	<u>(4,231,015)</u>	<u>(3,400,002)</u>	<u>(7,631,017)</u>	<u>-</u>
Net Capital Assets	<u>11,587,586</u>	<u>2,916,202</u>	<u>14,503,788</u>	<u>-</u>
Total Assets	<u>\$ 53,552,456</u>	<u>\$ 7,103,602</u>	<u>\$ 60,656,058</u>	<u>\$ 6,664,189</u>

	Major Enterprise Fund Valley Hi	Nonmajor Enterprise Fund 911 Fund	Totals	Internal Service Fund
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 209,764	\$ 60,217	\$ 269,981	\$ 1,940
Accrued payroll	280,791	11,286	292,077	1,956
Due to other funds	338,967	5,044	344,011	-
Other liabilities	242,012	-	242,012	-
Compensated absences	63,201	7,973	71,174	-
Claims and judgments	-	-	-	2,575,101
Capital leases payable	14,474	-	14,474	-
Total Current Liabilities	1,149,209	84,520	1,233,729	2,578,997
Noncurrent Liabilities				
Compensated absences	126,403	15,947	142,350	-
Capital leases payable	15,460	-	15,460	-
Other post-employment benefit obligation	221,072	10,203	231,275	-
Total Noncurrent Liabilities	362,935	26,150	389,085	-
Total Liabilities	1,512,144	110,670	1,622,814	2,578,997
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future period	4,500,000	-	4,500,000	-
<b>NET POSITION</b>				
Net investment in capital assets	11,557,652	2,916,202	14,473,854	-
Unrestricted	35,982,660	4,076,730	40,059,390	4,085,192
Total Net Position	\$ 47,540,312	\$ 6,992,932	54,533,244	\$ 4,085,192
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,212,492)	
Net Position of Business-Type Activities			\$ 53,320,752	

See accompanying notes to financial statements.



**County of McHenry, Illinois**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - PROPRIETARY FUNDS**  
For the Year Ended November 30, 2013

	Major Enterprise Fund Valley Hi	Nonmajor Enterprise Fund 911 Fund	Totals	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,185,115	\$ 2,542,268	\$ 12,727,383	\$ 18,111,927
Other	11,119	80	11,199	-
Total Operating Revenues	10,196,234	2,542,348	12,738,582	18,111,927
<b>OPERATING EXPENSES</b>				
Personnel services	7,163,264	360,985	7,524,249	62,870
Contractual services	1,849,030	1,661,577	3,510,607	17,549,343
Commodities	1,000,481	44,875	1,045,356	3,064
Depreciation	469,149	191,303	660,452	-
Amortization	-	409,656	409,656	-
Total Operating Expenses	10,481,924	2,668,396	13,150,320	17,615,277
Operating Income (Loss)	(285,690)	(126,048)	(411,738)	496,650
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes	5,237,688	-	5,237,688	-
Investment income	64,389	6,241	70,630	7,249
Interest expense	(1,127)	-	(1,127)	-
Loss on disposal of capital assets	(8,757)	-	(8,757)	-
Total Nonoperating Revenues (Expenses)	5,292,193	6,241	5,298,434	7,249
Net Change in Net Position	5,006,503	(119,807)	4,886,696	503,899
Net Position - Beginning of Year	42,533,809	7,112,739		3,581,293
Net Position - End of Year	\$ 47,540,312	\$ 6,992,932		\$ 4,085,192
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			44,052	
Change in Net Position of Business-Type Activities			\$ 4,930,748	

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended November 30, 2013

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 10,346,417	\$ 2,542,905	\$ 12,889,322	\$ 16,234,082
Payments to employees	(7,038,567)	(354,932)	(7,393,499)	(60,914)
Payments to third party administrator	-	-	-	(17,221,869)
Payments to suppliers	<u>(2,951,147)</u>	<u>(1,669,258)</u>	<u>(4,620,405)</u>	<u>(52,624)</u>
Net Cash Flows From Operating Activities	<u>356,703</u>	<u>518,715</u>	<u>875,418</u>	<u>(1,101,325)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes received	5,237,688	-	5,237,688	-
Interfund payments	<u>109,202</u>	<u>287</u>	<u>109,489</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>5,346,890</u>	<u>287</u>	<u>5,347,177</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(19,842)	-	(19,842)	-
Principal payments - capital leases	(14,047)	-	(14,047)	-
Interest paid	<u>(1,127)</u>	<u>-</u>	<u>(1,127)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(35,016)</u>	<u>-</u>	<u>(35,016)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash receipts from investment income	<u>77,821</u>	<u>6,241</u>	<u>84,062</u>	<u>7,249</u>
Net Cash Flows From Investing Activities	<u>77,821</u>	<u>6,241</u>	<u>84,062</u>	<u>7,249</u>
Net Change in Cash and Equivalents	5,746,398	525,243	6,271,641	(1,094,076)
Cash and Equivalents - Beginning of Year	<u>29,214,026</u>	<u>2,950,917</u>	<u>32,164,943</u>	<u>4,704,699</u>
Cash and Equivalents - End of Year	<u>\$ 34,960,424</u>	<u>\$ 3,476,160</u>	<u>\$ 38,436,584</u>	<u>\$ 3,610,623</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (285,690)	\$ (126,048)	\$ (411,738)	\$ 496,650
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	469,149	191,303	660,452	-
Amortization	-	409,656	409,656	-
Change in assets and liabilities				
Accounts receivable	203,439	-	203,439	-
Other receivables	-	557	557	-
Due from other funds	-	-	-	(1,877,845)
Prepaid expenses	(14,665)	71,698	57,033	-
Accounts payable	(86,971)	(34,504)	(121,475)	962
Accrued payroll	52,214	212	52,426	1,956
Other liabilities	(53,256)	-	(53,256)	-
Compensated absences	20,712	1,594	22,306	-
Claims and judgments	-	-	-	276,952
Other post-employment benefit obligation	<u>51,771</u>	<u>4,247</u>	<u>56,018</u>	<u>-</u>
Net Cash Flows From Operating Activities	\$ <u>356,703</u>	\$ <u>518,715</u>	\$ <u>875,418</u>	\$ <u>(1,101,325)</u>

NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:

None

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2013**

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**ASSETS**

Cash and equivalents	\$ 15,098,427
Due from other governments	<u>75,168</u>
 Total Assets	 <u><u>\$ 15,173,595</u></u>

**LIABILITIES**

Accounts payable	\$ 155,625
Due to residents	50,463
Bond escrow	2,546,935
Due to other governments	11,104,945
Other liabilities	<u>1,315,627</u>
 Total Liabilities	 <u><u>\$ 15,173,595</u></u>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

---

	<u>Page</u>
1. Summary of Significant Accounting Policies	
A. Reporting Entity	17
B. Government-Wide and Fund Financial Statements	18
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	20
D. New Accounting Standards Implemented	20
E. Cash and Equivalents	21
F. Investments	21
G. Inventory	21
H. Capital Assets	21
I. Deferred Outflows/Inflows of Resources	22
J. Unearned Revenue	22
K. Compensated Absences	23
L. Long-Term Obligations	23
M. Capital Contributions	23
N. Encumbrances	24
O. Accounting Estimates	24
P. Interfund Transactions	24
Q. Claims and Judgments	24
R. Net Position/Fund Balance	25
S. Prior Period Information	26
2. Legal Compliance – Budgets	26
3. Deposits and Investments	
A. Primary Government and Fiduciary Funds	27
B. District (Component Unit)	28
4. Property Taxes/Receivables	
A. Property Taxes	29
B. Allowance for Uncollectible Amounts	30
C. Unearned/Unavailable Revenue	30
5. Capital Assets	31
6. Long-Term Obligations	34
7. Defined Benefit Pension Plans	
A. Plan Description	43
B. Funding Policy	43
C. Annual Pension Cost	43
D. Actuarial Assumptions	43
E. Funded Status and Funding Progress	43
F. Trend Information	44

**County of McHenry, Illinois**  
INDEX TO NOTES TO FINANCIAL STATEMENTS (Continued)  
November 30, 2013

---

	<u>Page</u>
8. Other Post Employment Benefits (OPEB)	
A. Plan Description	45
B. Funding Policy	45
C. Annual OPEB Cost and Net OPEB Obligation	46
D. Funded Status and Funding Progress	47
E. Actuarial Methods and Assumptions	48
9. Contingent Liabilities	48
10. Risk Management	49
11. Contractual Commitments	50
12. Enterprise Funds – Segment Information	50
13. Fund Balance Restricted for Future Grant/Program Expenditure	51
14. Interfund Balances and Transfers	
A. Interfund Balances	51
B. Transfers	52
15. Net Position/Fund Balance	53
16. Fund Deficits	55
17. New Governmental Accounting Standard	55
18. Restatement of Beginning Net Position - Change in Accounting Principle	56
19. Subsequent Event	56

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of the County of McHenry, Illinois (County) conform to accounting principles generally accepted in the United States of America, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of significant accounting policies:

A. Reporting Entity

The reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability exists when:

1. The primary government appoints a voting majority of the component unit's board, and either a) the primary government has the ability to impose its will on the component unit, or b) there exists a financial benefit or burden relationship between the primary government and the component unit; or
2. The component unit is fiscally dependent on the primary government and there exists a financial benefit or burden relationship between the primary government and the component unit.

Legally separate tax-exempt organizations may also be reported as a component unit of a primary government if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition to the criteria described above, the primary government may also consider a legally separate organization to be a component unit if it would otherwise be misleading to exclude the component unit, based on the nature and significance of the component unit's relationship with the primary government.

Following is a description of the organizations that the County considers to be component units, the rationale for including these organizations as component units, and the manner in which the component units are presented in the accompanying financial statements.

**Component Unit #1 - McHenry County Public Building Commission - (Blended Component Unit)**

The McHenry County Public Building Commission (Commission) is considered to be a component unit of the County because the County Board appoints a voting majority of the Commission's Board and because there exists a financial burden relationship, since the County is legally obligated for the Commission's outstanding debt. The sole purpose of the Commission is to manage the County's building activities. Therefore, the Commission is presented as a blended component unit, which means that the Commission is reported as if it were part of the County. The Commission is presented in the accompanying financial statements as a Special Revenue Fund. The Commission has a fiscal year that ends on November 30, the same as the County. Separately audited financial statements for the Commission may be obtained from the Public Building Commission, 2200 N. Seminary Avenue, Woodstock, Illinois, 60098-2367.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Component Unit #2 - McHenry County Conservation District - (Discretely Presented Component Unit)

The McHenry County Conservation District (District) is considered to be a component unit of the County because the County Board appoints a voting majority of the District's Board and because the County has the ability to impose its will on the District, since the District's annual budget and appropriation ordinance is not considered to be adopted until it is adopted by a resolution of the County Board. The District acquires and maintains land as open space for preservation, education, and recreation within the County. The District is reported as a discretely presented component unit within the accompanying financial statements. The District has a fiscal year that ends on March 31. The latest financial statements as reflected in this report are for the year ended March 31, 2013. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

Related Organizations

Certain organizations have a voting majority of their board members appointed by the County Board. However, the County is not financially accountable for these organizations because the County does not have the ability to impose its will and because there is no financial benefit or burden relationship. Accordingly, these organizations are not included as part of the financial reporting entity. Such organizations include the following:

Greenwood Drainage District  
Hebron Drainage District  
McHenry County Housing Authority  
Marengo Rescue Squad  
Lake in the Hills Sanitary District

Crystal Lake Rural Fire Protection District  
Fox River Grove Fire Protection District  
Harvard Community Fire Protection District  
McHenry Township Fire Protection District

B. Government-Wide and Fund Financial Statements

**Government-wide Financial Statements:** The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the County. Eliminations have been made to minimize the double-counting of internal activities of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the discretely presented component unit.

The Statement of Activities demonstrates the degree to which the direct expenses of each County function (general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to the functions in the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.



**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

**Fund Financial Statements:** Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows/outflows of resources, net position/fund balance, revenues, and expenses/expenditures. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund statements. An emphasis is placed on major funds within the governmental and proprietary fund statements. A fund is considered major if it is the primary operating fund of the County or if it meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County administers the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. Services which are administered by various departments and accounted for in the general fund include general and administrative, community development, public safety, judiciary and court related, and public health and welfare.

County Mental Health Fund – This fund accounts for expenditures for administering approved mental health programs. Funding is primarily from property taxes.

County Highway Fund – This fund account for expenditures for highway maintenance and construction. Funding is primarily from property taxes and transfer in from other funds.

The County administers the following major enterprise fund:

Valley Hi Fund – This fund accounts for the activities of the Valley Hi nursing home.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. The County administers the following internal service fund:

Health Insurance Fund – This fund accounts for employee and retiree health insurance premiums and claims.

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

**B. Government-Wide and Fund Financial Statements (Continued)**

Fiduciary (agency) funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Significant activities reported in the agency funds include assets held by the County as an agent responsible for collecting property taxes and assets held by the Clerk of the Circuit Court as an agent for the courts.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the discretely presented component unit. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Agency funds also follow the accrual basis of accounting, but do not have a measurement focus.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues, and various State, Federal, and local grants. On an accrual basis, revenues from taxes are recognized when the County has a legal claim to the resources. Grants, entitlements, State shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In general, the County considers revenues for this purpose to be available if they are collected within 60 days of the end of the current fiscal year. However, the County also judgmentally uses an extended period of time, mainly due to unusual delays in payments from the State of Illinois, to avoid artificially distorting normal revenue patterns.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures are recorded when the related liability is incurred, except for unmatured interest on long-term debt, claims and judgments, compensated absences, pension expenditures, and other post employment benefit costs, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. New Accounting Standards Implemented**

The GASB has issued Statement No. 63 – “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, which represent a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future reporting period, respectively. These new financial statement categories are considered by GASB to be separate and distinct from assets and liabilities. Additionally, with the introduction of these new financial statement elements, the term net assets has been replaced by the term net position. The County has implemented this standard effective December 1, 2012.

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

D. New Accounting Standards Implemented (Continued)

The GASB has issued Statement No. 65 – “Items Previously Reported as Assets and Liabilities”. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The County has implemented this standard effective December 1, 2012.

Upon implementation, accounting and financial reporting changes have been made to the following items: Property taxes levied for future period (previously reported as a liability, now reported as a deferred inflow of resources); Unavailable revenue in governmental funds (previously reported as a liability, now reported as a deferred inflow of resources); and debt issuance costs in the government-wide financial statements (previously reported as an asset, now reported as an outflow of resources). For more information, see Note 1-I and Note 18.

E. Cash and Equivalents

For purposes of the statement of cash flows, the County considers, for proprietary funds, all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

G. Inventory

Inventories are valued at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

H. Capital Assets

Capital assets, which include tangible assets (land, land improvements, roads, bridges, and related infrastructure, buildings and improvements, furniture and fixtures, machinery and equipment, and transportation equipment) and intangible assets (computer software), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$250,000 for infrastructure assets, \$1 for land, \$50,000 for buildings and improvements and computer software, and \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are presented as capital outlay expenditures in the governmental funds.

Assets which are acquired and held for the County’s use are stated at historical cost. Donated capital assets are recorded at their fair market value at the date of donation.

For proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no interest expense capitalized by proprietary funds during 2013.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation/amortization of capital assets is recorded in the statement of activities with accumulated depreciation/amortization reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Roads, bridges, and related infrastructure	10 – 40
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 20
Machinery and equipment	5 – 25
Computer software	5 – 10
Transportation equipment	4 – 10

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate category called deferred outflows of resources, which represents a consumption of net position or fund balance that applies to a future period. Deferred outflows of resources are considered by GASB to be separate and distinct from assets. The County currently does not have any items that qualify for reporting in this category. The District reports the following item as a deferred outflow of resources: deferred charge on refunding (statement of net position).

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate category called deferred inflows of resources, which represents an acquisition of net position or fund balance that applies to a future period. Deferred inflows of resources are considered by GASB to be separate and distinct from liabilities. The County reports the following items as deferred inflows of resources: property taxes levied for future period (governmental activities, business-type activities, proprietary funds, and governmental funds), and unavailable revenue (governmental funds). The District reports the following item as a deferred inflow of resources: property taxes levied for future period (statement of net position).

J. Unearned Revenue

Unearned revenue arises when resources are received before the County has a legal claim to them, such as when grant monies are received before all eligibility requirements (other than time requirements) imposed by the provider have been met. Unearned revenues are reported as a liability. In subsequent periods, when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. In addition to grant funding, unearned revenue arises from various charges for services, intergovernmental payments, and developer contributions received before such payments have been earned.

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

**K. Compensated Absences**

County employees accumulate vacation, sick pay, and compensatory time off for subsequent use or for payment upon termination, death, or retirement. Employees are allowed to accrue up to 150% of their annual vacation accrual, and at no time shall their balance exceed the 150% maximum limit. Employees may not receive vacation pay in lieu of time off unless the department head requests that the employee waive vacation to avoid a hardship on the department. Accrued compensatory time off, earned for hours worked in excess of the employee's regular work schedule, may accumulate up to a maximum of 240 hours, with any excess paid out by the County. Accumulated sick leave is not paid out at termination of employment.

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave balances and unused compensatory time balances for County employees and is determined using current salary rates and includes salary-related payments.

A liability for compensated absences is reported in the individual governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave and accumulated compensatory time of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

District (component unit) employees earned vacation pay, up to a maximum of 30 working days, and a percentage (based on length of employment) of sick leave may be paid upon termination of employment.

**L. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary funds statement of net position. Premiums and discounts from long-term debt issuances are capitalized and amortized over the life of the issuance using the effective interest method. Issuance costs are reported as expenses in the year of issuance.

In the fund financial statements, governmental funds recognize issuance premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Debt service funds are used to account for and service the long-term obligations issued for governmental funds. Enterprise funds individually account for and service the applicable debt that benefit those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a liability of a governmental fund.

**M. Capital Contributions**

Capital contributions in the government-wide financial statements represent donations of land, highways, and other capital assets, primarily from developers. Capital contributions reported in the enterprise funds, if any, represent transfers of equipment from governmental funds and capital contributions from outside parties.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

N. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and generally result in an increase to the budget for the subsequent year. See note 11 for a summary of encumbrances outstanding at year-end.

O. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

P. Interfund Transactions

The County has the following types of transactions between funds:

Loans and Advances – amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds and due to other funds, when repayment is expected within one year. When repayment is not expected within one year, interfund loans are reported as advances to other funds and advances from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net position.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the governmental fund balance sheets or proprietary fund statements of net position.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as nonoperating revenues and expenses. Transfers between governmental activities and business-type activities are presented as offsetting transfers, under general revenues and transfers, in the government-wide statement of activities.

Q. Claims and Judgments

Claims and judgments are recorded as liabilities if it is probable that a loss has been incurred and the amount in question can be reasonably estimated. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred and the above conditions are met. For additional information on claims and judgments, see note 10 - Risk Management.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

R. Net Position/Fund Balance

*Government-Wide Financial Statements*

In the government-wide financial statements, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as net position and is displayed in the following categories:

- a. **Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of related bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – All other net position that does not meet the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

*Fund Financial Statements*

For governmental funds, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as fund balance and is displayed in the following categories, which describe the nature and extent of constraints on the use of resources that the County is bound to observe:

- a. **Nonspendable** - Represents fund balance that cannot be spent because it is not in spendable form or legally required to be maintained intact.
- b. **Restricted** - Represents fund balance with constraints placed on its use, either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- c. **Committed** - Represents fund balance with constraints placed on its use, imposed internally by formal action (ordinance) of the County's highest level of decision making authority, the County Board, separate from the authorization to raise the underlying revenue. Committed fund balance may be redeployed for other purposes, but requires additional formal action (ordinance) of the County Board. The formal action to commit fund balance must occur prior to the end of the reporting period.
- d. **Assigned** - Represents fund balance that is not considered to be restricted or committed, but is constrained by the County's intent to use resources for specific purposes. Also, remaining positive fund balance amounts, in governmental funds other than the general fund, that are not classified as nonspendable, restricted, or committed are reported as assigned. The County's policy is that fund balance may only be assigned by the County Board through the passage of a resolution.
- e. **Unassigned** - Represents fund balance in the general fund that does not meet the definition of nonspendable, restricted, committed, or assigned fund balance. The general fund is the only fund that should report a positive unassigned fund balance amount. Other governmental funds may report negative unassigned fund balance if expenditures incurred for a specific purpose exceed the resources that are restricted, committed, or assigned to that purpose.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 1 – Summary of Significant Accounting Policies (Continued)

R. Net Position/Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted fund balance first, then unrestricted fund balance as necessary. Additionally, it is the County's policy to first use committed fund balance, then assigned fund balance, and finally unassigned fund balance when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The County has a minimum fund balance policy. The policy states that the County should maintain in the general fund, minimum unassigned fund balance equal to six months of budgeted operating expenditures. As of November 30, 2013, the general fund reserve was 6.3 months.

For proprietary funds, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as net position, and is displayed in the same format as in the government-wide financial statements.

S. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2012. Comparative data by fund has not been presented in all statements, since its inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2 – Legal Compliance – Budgets

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In October, the County Administrator, Associate County Administrator of Finance, and Finance Committee Chairman submit to the County Board a proposed operating budget for the fiscal year commencing on December 1. The operating budget includes proposed expenditures and the means of financing them.

The operating budget is then posted in the Office of the County Clerk for a period of 15 days for public inspection. Prior to November 30, the budget is adopted by passage of an ordinance by the County Board.

Budgetary control over expenditures is maintained on an object code basis (personnel services, contractual, commodities, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board. During the year, several emergency appropriations were approved. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end.

Budgets for governmental fund types and internal service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise funds are adopted on a modified basis, in that depreciation/amortization is not budgeted and capital outlay and debt principal retirements are budgeted. Budgets are adopted for the General Fund, as well as for Special Revenue, Debt Service, Capital Project, Permanent, Enterprise, and Internal Service Funds. However, no budget is adopted for the Public Building Commission Fund (blended component unit), which is a nonmajor special revenue fund.



**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 2 – Legal Compliance – Budgets (Continued)

*Excess of Expenditure/Expenses Over Appropriations*

No funds had an excess of expenditures/expenses over appropriations for the year ended November 30, 2013.

Note 3 – Deposits and Investments

A. Primary Government and Fiduciary Funds

**Permitted Deposits and Investments** - The County's formal investment policy, which is more restrictive than State Statutes, authorizes the County to make deposits/invest in commercial banks, obligations of the U.S. Treasury or other securities guaranteed by the full faith and credit of the United States of America, savings and loan institutions, and the Illinois Funds Investment Pool.

The County's deposits and investments are categorized to show exposure to applicable risk categories as of November 30, 2013.

As of November 30, 2013, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	
	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Illinois Funds	\$ <u>2,828</u>	\$ <u>811</u>

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer. Oversight is provided by the Auditor General of the State of Illinois. Illinois Funds is not registered with the SEC. The fair value of the position in the Pool is the same as the value of the Pool shares.

**Interest rate risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's formal investment policy requires the Treasurer to determine the maturity of investments, so as to enable sufficient cash for all County operating purposes. Investments may be purchased with maturities to match cash flow needs, future projects, or liability requirements.

**Credit risk.** As stated above, the County's formal investment policy is more restrictive than State Statutes. In addition, the policy requires the Treasurer to maintain current statements of condition for each financial institution holding County funds to review for any evidence of deterioration. If deterioration is noted, the policy permits the County to withdraw its funds and remove said institutions from the list of approved financial institutions. This policy ensures that the County's investments are only maintained with the most creditworthy issuers. As of November 30, 2013, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

**Custodial credit risk.** As of November 30, 2013, none of the County's investments were exposed to custodial credit risk. The County's formal investment policy does not permit any investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

As of November 30, 2013, the County (primary government) had deposits with a book balance of \$200,893,969 and a bank balance of \$199,940,041 and the fiduciary funds had deposits with a book balance of \$15,096,016 and a bank balance of \$17,822,000. As of November 30, 2013, none of the above deposits were exposed to custodial credit risk. The County's formal investment policy manages custodial credit risk for deposits by requiring that all funds in excess of FDIC insurance be secured by collateral held in the County's name.

A reconciliation of cash and investments as shown on the Statement of Net Position and the Statement of Fiduciary Assets and Liabilities is as follows:

Cash and investments, as disclosed in Note 3:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Cash on hand	\$ 6,175	\$ 1,600
Carrying amount of deposits	200,893,969	15,096,016
Carrying amount of investments	<u>2,828</u>	<u>811</u>
Total cash and investments, as disclosed in Note 3	\$ <u>200,902,972</u>	\$ <u>15,098,427</u>

Cash and investments, as reported in the financial statements:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Cash and equivalents	\$ <u>200,902,972</u>	\$ <u>15,098,427</u>

B. District (Component Unit)

The District's investment policy authorizes the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by saving and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, and securities issued by Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity, and yield. The Board of Trustee's policy requires collateralization at 105% of the aggregate balance of principal and accrued interest on deposits in financial institutions.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 3 – Deposits and Investments (Continued)

B. District (Component Unit) (Continued)

1. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral in the name of the District.

2. Investments

The following table presents the investments and maturities of the District's securities with interest rate risk as of March 31, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ <u>2,225,000</u>	\$ <u>1,125,000</u>	\$ <u>1,100,000</u>	\$ <u>-</u>	\$ <u>-</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed with a budgetary or economic cycle. The investment policy does not strictly limit the maximum maturity lengths of investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in Illinois Funds, which is rated AAAM by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investment that are in possession of an outside party. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District's investment policy requires diversification of investments to avoid unreasonable risk. At March 31, 2013, the District has greater than five percent of its overall portfolio invested in the Illinois Funds. This is in accordance with the District's investment policy.

Note 4 – Property Taxes/Receivables

A. Property Taxes

The County's property tax is levied each calendar year on all taxable real property located in the County. Since the calendar year 2013 property tax is levied to finance the operations of fiscal year 2014, the calendar year 2013 property tax levy is recorded as a receivable and a deferred inflow of resources as of November 30, 2013. The calendar year 2012 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2013. The County must file its tax levy by the last Tuesday of December each year.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 4 – Property Taxes/Receivables (Continued)

A. Property Taxes (Continued)

The township assessors are responsible for assessment of all taxable real property within the County, except for certain railroad and pollution control property which is assessed directly by the State. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector/Treasurer, who remits to the units their respective share of the collections. The calendar year 2012 property tax levy became due and payable in two installments in June 2013 and September 2013. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

B. Allowance for Uncollectible Amounts

Revenues of the County are reported net of uncollectible amounts. The allowance for uncollectible amounts related to revenues of the current period is summarized as follows:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Revolving Loan Fund	Nonmajor Governmental Fund	\$ 300,000
Valley Hi Fund	Major Enterprise Fund	150,000
		<u>\$ 450,000</u>

C. Unearned/Unavailable Revenue

Unearned revenue is reported as a liability for resources that have been received, but not yet earned. Property taxes levied for the subsequent year cannot be used to liquidate liabilities of the current period and are reported as a deferred inflow of resources. Governmental funds report unavailable revenue as a deferred inflow of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the following items are reported in governmental funds and governmental activities:

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Liabilities		
Unearned revenue - resources with unmet eligibility requirements	\$ <u>540</u>	\$ <u>540</u>
Deferred Inflows of Resources		
Property taxes levied for future period	\$ <u>74,266,525</u>	\$ <u>74,266,525</u>
Unavailable revenue - grants receivable	3,356,164	-
Unavailable revenue - other receivables	<u>1,918,946</u>	-
Total unavailable revenue	<u>5,275,110</u>	-
Total deferred inflows of resources	\$ <u>79,541,635</u>	\$ <u>74,266,525</u>

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 5 – Capital Assets

A summary of changes in capital assets for governmental activities of the County (primary government) is as follows:

	Balance December 1	Additions	Deletions	Balance November 30
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 60,573,064	\$ 481,500	\$ -	\$ 61,054,564
Construction in progress	42,960,094	14,415,681	(5,642,826)	51,732,949
Total Capital Assets Not Being Depreciated	103,533,158	14,897,181	(5,642,826)	112,787,513
Other Capital Assets				
Roads, bridges, and related infrastructure	133,537,222	5,073,287	-	138,610,509
Buildings and improvements	100,951,413	66,458	-	101,017,871
Land improvements	181,544	-	-	181,544
Furniture and fixtures	3,367,026	17,910	-	3,384,936
Machinery and equipment	34,535,534	971,791	-	35,507,325
Computer software	8,708,027	503,080	-	9,211,107
Transportation equipment	5,680,011	456,740	(325,812)	5,810,939
Total Other Capital Assets	286,960,777	7,089,266	(325,812)	293,724,231
Less Accumulated Depreciation/Amortization for:				
Roads, bridges, and related infrastructure	(33,003,545)	(3,456,240)	-	(36,459,785)
Buildings and improvements	(36,370,498)	(2,538,852)	-	(38,909,350)
Land improvements	(5,973)	(5,973)	-	(11,946)
Furniture and fixtures	(2,526,783)	(122,157)	-	(2,648,940)
Machinery and equipment	(20,953,506)	(2,511,877)	-	(23,465,383)
Computer software	(5,135,562)	(586,629)	-	(5,722,191)
Transportation equipment	(4,622,598)	(380,017)	325,812	(4,676,803)
Total Accumulated Depreciation/Amortization	(102,618,465)	(9,601,745)	325,812	(111,894,398)
Other Capital Assets, Net	184,342,312	(2,512,479)	-	181,829,833
Governmental Activities Capital Assets, Net	\$ 287,875,470	\$ 12,384,702	\$ (5,642,826)	\$ 294,617,346

Depreciation/Amortization expense for governmental activities was charged to functions as follows:

General and administrative	\$ 3,107,598
Community development	5,341
Transportation	4,167,750
Public safety	1,279,666
Judiciary and court related	680,348
Public health and welfare	361,042
Total Depreciation/Amortization Expense – Governmental Activities	\$ 9,601,745

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

Note 5 – Capital Assets (Continued)

A summary of changes in capital assets for business-type activities of the County (primary government) is as follows:

	Balance December 1	Additions	Deletions	Balance November 30
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Other Capital Assets				
Buildings and improvements	14,529,570	-	-	14,529,570
Land improvements	302,971	-	-	302,971
Furniture and fixtures	488,189	-	-	488,189
Machinery and equipment	2,401,140	19,842	(131,649)	2,289,333
Computer software	4,428,525	-	-	4,428,525
Transportation equipment	108,832	-	(18,615)	90,217
Total Other Capital Assets	22,259,227	19,842	(150,264)	22,128,805
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(3,131,924)	(354,441)	-	(3,486,365)
Land improvements	(83,213)	(15,149)	-	(98,362)
Furniture and fixtures	(291,262)	(48,819)	-	(340,081)
Machinery and equipment	(1,597,201)	(237,954)	122,892	(1,712,263)
Computer software	(1,502,251)	(409,656)	-	(1,911,907)
Transportation equipment	(96,565)	(4,089)	18,615	(82,039)
Total Accumulated Depreciation/Amortization	(6,702,416)	(1,070,108)	141,507	(7,631,017)
Other Capital Assets, Net	15,556,811	(1,050,266)	(8,757)	14,497,788
Business-Type Activities Capital Assets, Net	\$ 15,562,811	\$ (1,050,266)	\$ (8,757)	\$ 14,503,788

Depreciation/Amortization expense for business-type activities was charged to functions as follows:

Public safety	\$ 600,959
Public health and welfare	469,149
Total Depreciation/Amortization Expense – Business-Type Activities	\$ 1,070,108

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 5 – Capital Assets (Continued)

A summary of changes in capital assets of the District (component unit) is as follows:

	Balance April 1	Additions	Deletions	Balance March 31
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 203,957,860	\$ 683,288	\$ -	\$ 204,641,148
Construction in progress	2,913,539	1,864,062	(1,901,909)	2,875,692
Total Capital Assets Not Being Depreciated	<u>206,871,399</u>	<u>2,547,350</u>	<u>(1,901,909)</u>	<u>207,516,840</u>
Other Capital Assets				
Land improvements and roads	23,363,469	1,954,561	-	25,318,030
Buildings and improvements	12,674,118	440,813	(156,240)	12,958,691
Furniture and equipment	1,825,050	359,370	(61,911)	2,122,509
Office equipment	394,557	28,630	-	423,187
Vehicles	1,837,600	569,196	(277,443)	2,129,353
Total Other Capital Assets	<u>40,094,794</u>	<u>3,352,570</u>	<u>(495,594)</u>	<u>42,951,770</u>
Less accumulated depreciation for:				
Land improvements and roads	(9,815,850)	(1,057,921)	-	(10,873,771)
Buildings and improvements	(4,171,126)	(455,666)	124,341	(4,502,451)
Furniture and equipment	(1,171,755)	(168,393)	61,911	(1,278,237)
Office equipment	(191,280)	(33,978)	-	(225,258)
Vehicles	(1,217,663)	(218,148)	277,443	(1,158,368)
Total Accumulated Depreciation	<u>(16,567,674)</u>	<u>(1,934,106)</u>	<u>463,695</u>	<u>(18,038,085)</u>
Other Capital Assets, Net	<u>23,527,120</u>	<u>1,418,464</u>	<u>(31,899)</u>	<u>24,913,685</u>
Governmental Activities Capital Assets, Net	<u>\$ 230,398,519</u>	<u>\$ 3,965,814</u>	<u>\$ (1,933,808)</u>	<u>\$ 232,430,525</u>

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations

The following is a summary of long-term obligation activity for the County (primary government) associated with governmental activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 4,676,182	\$ 4,689,258	\$ 4,382,911	\$ 4,982,529	\$ 1,660,843
Capital leases	1,927,676	181,184	712,878	1,395,982	724,972
Debt certificates	55,180,000	-	8,975,000	46,205,000	9,330,000
Debt certificate issuance premiums	570,574	-	80,475	490,099	77,724
Claims and judgments - health claims	2,298,149	17,498,821	17,221,869	2,575,101	2,575,101
Claims and judgments - all other claims	2,927,003	2,352,098	1,054,531	4,224,570	896,277
Other post-employment benefit obligation	<u>3,965,290</u>	<u>1,609,437</u>	<u>157,883</u>	<u>5,416,844</u>	<u>-</u>
	<u>\$ 71,544,874</u>	<u>\$ 26,330,798</u>	<u>\$ 32,585,547</u>	<u>\$ 65,290,125</u>	<u>\$ 15,264,917</u>

Compensated absences and other post-employment benefit obligation will be liquidated primarily by the general fund. Claims and judgments - health claims will be liquidated by the health insurance fund (internal service fund), while claims and judgments - all other claims will be liquidated by the insurance loss fund (nonmajor special revenue fund).

The following is a summary of long-term obligation activities for the County (primary government) associated with business-type activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 191,218	\$ 239,529	\$ 217,223	\$ 213,524	\$ 71,174
Capital leases	43,981	-	14,047	29,934	14,474
Other post-employment benefit obligation	<u>175,257</u>	<u>62,111</u>	<u>6,093</u>	<u>231,275</u>	<u>-</u>
	<u>\$ 410,456</u>	<u>\$ 301,640</u>	<u>\$ 237,363</u>	<u>\$ 474,733</u>	<u>\$ 85,648</u>

Compensated absences and other post-employment benefit obligation will be liquidated by the Valley Hi fund and the 911 fund.



**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

**Note 6 – Long-Term Obligations (Continued)**

The following is a summary of long-term obligation transactions for the District (component unit):

	Balance April 1	Issuances	Retirements	Balance March 31	Due Within One Year
Compensated absences	\$ 637,563	\$ 303,552	\$ 273,768	\$ 667,347	\$ 291,648
General obligation bonds	137,880,000	-	4,915,000	132,965,000	5,415,000
Bond issuance premiums	2,025,544	-	160,083	1,865,461	-
Installment contract	4,800,000	-	-	4,800,000	-
Other post-employment benefit obligation	39,871	5,925	-	45,796	-
	<u>\$ 145,382,978</u>	<u>\$ 309,477</u>	<u>\$ 5,348,851</u>	<u>\$ 140,343,604</u>	<u>\$ 5,706,648</u>

Long-term obligations outstanding (excluding compensated absences, debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) of the County (primary government) are as follows:

Description	Balance December 1	Issuances	Retirements	Balance November 30
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**Capital Leases – Governmental Activities**

**Laptop Lease 11-15**

\$663,004 capital lease, due in annual installments of \$172,639; interest at 2.50% through April 2014. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund and the Workforce Network Fund.

	\$ 332,779	\$ -	\$ 164,340	\$ 168,439
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**Avaya Lease 11-16**

\$321,039 capital lease, monthly principal and interest payments of \$5,761 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.

	200,359	-	63,990	136,369
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**Server Lease 11-16**

\$1,940,000 capital lease, due in annual installments of \$409,240; interest at 2.42% through October 2015. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.

	1,170,597	-	380,905	789,692
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**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Capital Leases – Governmental Activities (Continued)</b>				
Recorder Lease 12-16				
\$145,337 capital lease, due in annual installments of \$30,631; interest at 2.38% through July 2016. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Recorder Automation Fund.	\$ 115,570	\$ -	\$ 27,882	\$ 87,688
Panasonic Lease 12-16				
\$116,726 capital lease, monthly principal and interest payments of \$2,580 through August 2016; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	108,371	-	28,093	80,278
HP Toughbooks Lease 13-17				
\$181,184 capital lease, due in annual installments of \$47,668; interest at 3.51% through July 2016. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	-	181,184	47,668	133,516
Total Capital Leases - Governmental Activities	\$ <u>1,927,676</u>	\$ <u>181,184</u>	\$ <u>712,878</u>	\$ <u>1,395,982</u>

Capital leases have resulted in the acquisition of \$4,641,570 of capital assets (equipment), which have accumulated depreciation of \$3,058,711.

**Debt Certificates – Governmental Activities**

**McHenry County General Obligation**

\$8,280,000 McHenry County Debt Certificates Series 2006A, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022. The proceeds were used to advance refund Series 2002B debt certificates. In addition, proceeds were used for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.

\$ 6,075,000	\$ -	\$ 505,000	\$ 5,570,000
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**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Debt Certificates – Governmental Activities (Continued)</b>				
McHenry County General Obligation				
\$4,885,000 McHenry County Debt Certificates Series 2007A, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017. The proceeds were used for the purchase and implementation of a new radio system for the Sheriff's Office. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 2,665,000	\$ -	\$ 490,000	\$ 2,175,000
McHenry County General Obligation				
\$50,000,000 McHenry County Debt Certificates Series 2007B, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017. The proceeds were used for highway engineering, construction, and maintenance costs. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Highway Fund, Motor Fuel Tax Fund, and County Option Motor Fuel Tax Fund.	27,740,000	-	5,060,000	22,680,000
McHenry County General Obligation				
\$4,480,000 McHenry County Debt Certificates Series 2008, due in annual installments of \$380,000 to \$520,000; Interest at 3.0% to 4.25% through January 2019. The proceeds were used for the acquisition of land and property adjacent to the County courthouse campus. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	3,310,000	-	420,000	2,890,000

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Debt Certificates – Governmental Activities (Continued)</b>				
McHenry County General Obligation				
\$7,595,000 McHenry County Debt Certificates Series 2010A, due in annual installments of \$185,000 to \$1,125,000; Interest at 1.5% to 4.5% through December 2019. The proceeds were used for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 6,085,000	\$ -	\$ 1,025,000	\$ 5,060,000
McHenry County General Obligation				
\$4,000,000 McHenry County Debt Certificates (Recovery Zone Economic Development Bonds) Series 2010B, due in annual installments of \$65,000 to \$350,000; Interest at 0.75% to 5.55% through December 2024. The County is eligible to receive reimbursement from the Federal Government for up to 45% of each scheduled interest payment, subject to federal funding levels. The proceeds were used for the expansion of the County mental health facility. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Mental Health Fund.	3,840,000	-	255,000	3,585,000
McHenry County General Obligation				
\$1,220,000 McHenry County Debt Certificates Series 2012A, Interest at 2.25%; balloon payment of principal and interest due January 2013. The proceeds were used to currently refund Series 2003C debt certificates. Principal and interest payments were reported in a Debt Service fund. Funding was provided by transfers in from the General Fund.	1,220,000	-	1,220,000	-

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Debt Certificates – Governmental Activities (Continued)</b>				
McHenry County General Obligation				
\$4,245,000 McHenry County Debt Certificates Series 2012B, due in annual installments of \$310,000 to \$1,245,000, beginning in 2014; Interest at 2.0% to 3.5% through January 2022. The proceeds were used to currently refund Series 2003A debt certificates and to advance refund Series 2005A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 4,245,000	\$ -	\$ -	\$ 4,245,000
Total Debt Certificates - Governmental Activities	\$ 55,180,000	\$ -	\$ 8,975,000	\$ 46,205,000

**Capital Leases – Business-Type Activities**

Avaya Lease 11-16

\$70,472 capital lease, monthly principal and interest payments of \$1,264 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Valley Hi Fund.

	\$ 43,981	\$ -	\$ 14,047	\$ 29,934
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Capital leases have resulted in the acquisition of \$70,472 of capital assets (equipment), which have accumulated depreciation of \$42,283.

Long-term obligations outstanding (excluding compensated absences, bond issuance premiums, and other post-employment benefit obligation) of the District (component unit) are as follows:

**General Obligation Bonds – Governmental Activities (District)**

McHenry County Conservation District

\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments of \$115,000 to \$1,785,000; interest at 4.7% to 5.5% through February 1, 2018. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.

	\$ 6,940,000	\$ -	\$ 155,000	\$ 6,785,000
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**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>General Obligation Bonds – Governmental Activities (District) (Continued)</b>				
McHenry County Conservation District \$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in annual installments of \$150,000 to \$1,410,000; interest at 4.25% to 5.0% through February 1, 2016. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	\$ 1,955,000	\$ -	\$ 1,410,000	\$ 545,000
McHenry County Conservation District \$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments of \$135,000 to \$9,850,000; interest at 3.0% to 5.0% through February 1, 2021. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	54,690,000	-	3,345,000	51,345,000
McHenry County Conservation District \$1,315,000 General Obligation Refunding Tax Bonds Series 2005B, due in periodic installments of \$5,000 to \$1,295,000; interest at 3.5% to 4.0% through February 1, 2014. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	1,300,000	-	5,000	1,295,000
McHenry County Conservation District \$73,000,000 General Obligation Bonds Series 2007, due in periodic installments of \$5,000 to \$13,695,000; interest at 4.0% to 5.125% through February 1, 2027. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.	72,995,000	-	-	72,995,000
<b>Total General Obligation Bonds - Governmental Activities (District)</b>	<b>\$ 137,880,000</b>	<b>\$ -</b>	<b>\$ 4,915,000</b>	<b>\$ 132,965,000</b>

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Installment Contract – Governmental Activities (District)</b>				
McHenry County Conservation District				
\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments; balloon payment of principal and interest due November 1, 2016. The proceeds were used for the acquisition of land. Principal and interest payments will be reported in the District Debt Service Fund.				
	\$ <u>4,800,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,800,000</u>

**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the County (primary government) for capital leases and debt certificates are as follows:

Fiscal Year	Governmental Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2014	\$ 724,972	\$ 35,293	\$ 760,265
2015	571,049	16,575	587,624
2016	<u>99,961</u>	<u>2,591</u>	<u>102,552</u>
	\$ <u>1,395,982</u>	\$ <u>54,459</u>	\$ <u>1,450,441</u>
Fiscal Year	Business-Type Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2014	\$ 14,474	\$ 700	\$ 15,174
2015	14,914	260	15,174
2016	<u>546</u>	<u>1</u>	<u>547</u>
	\$ <u>29,934</u>	\$ <u>961</u>	\$ <u>30,895</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

Note 6 – Long-Term Obligations (Continued)

**Debt Service Requirements to Maturity (Continued)**

Fiscal Year	Governmental Activities	
	Debt Certificates	
	Principal	Interest
2014	\$ 9,330,000	\$ 1,694,013
2015	9,085,000	1,330,758
2016	9,105,000	958,740
2017	9,020,000	579,375
2018	1,850,000	355,459
2019-2023	7,125,000	803,537
2024-2025	690,000	38,317
	<u>\$ 46,205,000</u>	<u>\$ 5,760,199</u>

Annual debt service requirements to maturity for the District (component unit) for general obligation bonds and installment contracts for governmental activities are as follows:

Fiscal Year	General Obligation Bonds		Installment Contract	
	Principal	Interest	Principal	Interest
2014	\$ 5,415,000	\$ 6,610,379	\$ -	\$ 120,000
2015	5,940,000	6,351,604	-	120,000
2016	6,510,000	6,050,779	-	120,000
2017	7,110,000	5,721,254	4,800,000	70,356
2018	7,690,000	5,421,082	-	-
2019-2023	49,305,000	20,602,344	-	-
2024-2027	50,995,000	6,598,223	-	-
	<u>\$ 132,965,000</u>	<u>\$ 57,355,665</u>	<u>\$ 4,800,000</u>	<u>\$ 430,356</u>

There are a number of limitations and restrictions contained in various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

**Advance Refunding of Debt**

In prior years, the County advance refunded debt certificates, by placing funds in an irrevocable trust with an escrow agent for the purpose of paying all future debt service payments. As a result, the advance refunded debt certificates are considered to be defeased and the liability is not included in the statement of net position. The total balance of defeased debt of \$1,035,000 was repaid in full on January 15, 2013. Accordingly, there is no defeased debt outstanding as of November 30, 2013.

**Conduit Debt**

The County has participated in the issuance of Industrial Revenue Bonds and Recovery Zone Facility Bonds. These bonds were issued for various third parties for the purpose of constructing privately operated manufacturing and other related facilities within the County. These bonds are not direct or contingent liabilities of the County. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds, and the bondholders can look only to these sources for repayment. As of November 30, 2013, the balance of conduit debt outstanding is \$7,943,075.



**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 7 – Defined Benefit Pension Plans

A. Plan Description

The County and District's defined benefit pension plans provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County and District's plans are affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

B. Funding Policy

As set by statute, plan members are required to contribute a percentage of their annual salary. Plan member contribution rates are 4.5% for the Regular Plan, 7.5% for the Sheriff's Law Enforcement Personnel Plan (SLEP), and 4.5% for the District plan. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The required employer contribution rates for calendar year 2012 were 10.55% of annual covered payroll for the Regular Plan, 23.62% of annual covered payroll for the SLEP Plan, and 11.73% of annual covered payroll for the District plan. The County and District also contribute for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits and set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. Annual Pension Cost

For calendar year 2012, the County's annual pension costs of \$5,334,510 for the Regular Plan and \$2,755,659 for the SLEP plan were equal to the County's required and actual contributions. The District's annual pension cost of \$507,761 was equal to the District's required and actual contribution.

D. Actuarial Assumptions

The required contributions for calendar year 2012 were determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Each plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

E. Funded Status and Funding Progress

a. Regular Plan

As of December 31, 2012, the most recent actuarial valuation date, the Regular Plan was 79.77% funded. The actuarial accrued liability for benefits was \$106,849,241 and the actuarial value of assets was \$85,235,771, resulting in an underfunded actuarial accrued liability (UAAL) of \$21,613,470. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$50,564,074 and the ratio of the UAAL to the covered payroll was 42.74%.

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 7 – Defined Benefit Pension Plans (Continued)

E. Funded Status and Funding Progress (Continued)

b. SLEP Plan

As of December 31, 2012, the most recent actuarial valuation date, the SLEP Plan was 53.29% funded. The actuarial accrued liability for benefits was \$52,906,778 and the actuarial value of assets was \$28,192,668, resulting in an underfunded actuarial accrued liability (UAAL) of \$24,714,110. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$11,666,635 and the ratio of the UAAL to the covered payroll was 211.84%.

c. District Plan

As of December 31, 2012, the most recent actuarial valuation date, the District Plan was 68.30% funded. The actuarial accrued liability for benefits was \$9,610,061 and the actuarial value of assets was \$6,563,413, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,046,648. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$4,328,735 and the ratio of the UAAL to the covered payroll was 70.38%.

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Trend Information

	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Regular Plan	12/31/12	\$ 5,334,510	100%	\$ -
	12/31/11	5,103,226	100%	-
	12/31/10	4,949,907	100%	-
SLEP	12/31/12	\$ 2,755,659	100%	\$ -
	12/31/11	2,690,209	100%	-
	12/31/10	2,768,536	100%	-
District	12/31/12	\$ 507,761	100%	\$ -
	12/31/11	493,067	100%	-
	12/31/10	463,838	100%	-

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 8 – Other Post Employment Benefits (OPEB)

A. Plan Description

a. County Plan

In addition to the pension benefits described above, the County also provides health and dental insurance benefits (OPEB) to eligible retirees and their spouses (plan members). The OPEB plan is a single-employer defined benefit OPEB plan and is administered by the County. The County is required by state statute to offer health and dental insurance benefits to eligible retirees and their spouses at the same premium-equivalent rate as active employees. The County utilizes premium-equivalents, as it is self-insured for health and dental claims, see note 10, Risk Management. The County's OPEB plan does not issue a stand-alone financial report.

b. District Plan

In addition to the pension benefits described above, the District also provides post employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. The District plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the District plan. The District plan does not issue a separate report.

B. Funding Policy

a. County Plan

The County Board establishes the level of health and dental benefits offered, as well as the level of retiree contributions and employer contributions. The County Board may amend the level of health and dental benefits offered or the contribution rates, by modifying the County's personnel policy or by negotiating the terms of union contracts. Plan members who are non-Medicare eligible are required to contribute between 65-80% of insurance premium-equivalents, while plan members who are Medicare eligible are required to contribute 100% of the premium-equivalents. The County finances employer contributions on a pay-as-you-go basis, meaning the County only contributes an amount equal to the employer's share of current year premium-equivalents, which range between 20-35% of premium-equivalents for members who are non-Medicare eligible and 0% of premium-equivalents for plan members who are Medicare eligible. For fiscal year 2013, plan members contributed \$1,217,502 and, on an age-adjusted basis, the County contributed \$163,976.

b. District Plan

The District provides pre and post-Medicare post employment health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the District's retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the District's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

a. County Plan

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution (ARC)	\$ 1,736,165
Interest on net OPEB obligation	165,622
Adjustment to annual required contribution	<u>(230,239)</u>
Annual OPEB cost (expense)	1,671,548
Contributions made	<u>(163,976)</u>
Increase in net OPEB obligation	1,507,572
Net OPEB obligation - beginning of year	<u>4,140,547</u>
Net OPEB obligation - end of year	<u><u>\$ 5,648,119</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
11/30/13	\$ 1,671,548	\$ 163,976	9.81%	\$ 5,648,119
11/30/12	1,716,155	816,483	47.58	4,140,547
11/30/11	1,644,986	221,603	13.47	3,240,875

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

b. District Plan

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution (ARC)	\$ 15,005
Interest on net OPEB obligation	1,595
Adjustment to annual required contribution	<u>(1,329)</u>
Annual OPEB cost (expense)	15,271
Contributions made	<u>(9,346)</u>
Increase in net OPEB obligation	5,925
Net OPEB obligation - beginning of year	<u>39,871</u>
Net OPEB obligation - end of year	<u><u>\$ 45,796</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
3/31/13	\$ 15,271	\$ 9,346	61.20%	\$ 45,796
3/31/12	15,300	9,346	61.08	39,871
3/31/11	15,594	4,115	26.39	33,917

D. Funded Status and Funding Progress

a. County Plan

As of August 1, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$15,797,805 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,797,805. The covered payroll (annual payroll of active employees covered by the plan) was \$65,612,697, and the ratio of the UAAL to the covered payroll was 24.08%.

b. District Plan

As of March 31, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$145,721 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$145,721. The covered payroll (annual payroll of active employees covered by the plan) was \$4,160,902, and the ratio of the UAAL to the covered payroll was 3.50%.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 8 – Other Post Employment Benefits (OPEB) (Continued)

D. Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County/District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the County/District and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

a. County Plan

In the August 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate between 3.0% - 7.5% initially, with an ultimate rate of 5.0% after 7 years, projected salary increases of 3.0% a year, and annual inflation of 3.0%. Since the County is only financing employer contributions on a pay-as-you-go basis, the actuarial value of assets is \$0. The UAAL is being amortized using level dollar amounts on an open 30 year basis.

b. District Plan

In the March 31, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, an annual healthcare cost trend rate of 8.0% initially, reduced to an ultimate rate of 6.0%, projected salary increases of 4.0% a year, and annual inflation of 3.0%. The actuarial value of assets was not determined, as the District has not advance funded its obligation. The UAAL is being amortized as a level percentage of projected payroll on an open 30 year basis.

Note 9 – Contingent Liabilities

The County (primary government) is a defendant in various lawsuits, wherein substantial amounts are claimed. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters could have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 10 – Risk Management

The County and District are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; health care and injuries to employees; and natural disasters. The County accounts for its risk financing in the Health Insurance Fund (internal service fund) and Insurance Loss Fund (nonmajor special revenue fund).

The Insurance Loss Fund provides coverage for up to a maximum of \$600,000 for each worker's compensation claim, \$400,000 for each vehicle claim, \$250,000 for each general liability claim, and \$25,000 for each liability or property damage claim. The County purchases commercial insurance for claims in excess of coverage provided and for other risks of loss. All funds of the County are covered by the Insurance Loss Fund.

The County is self-insured for health and dental claims, which are accounted for in the Health Insurance Fund. The County has \$195,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 135% of total expected annual claims. The County utilizes a third-party administrator to process the claims. The County reimburses the third-party administrator for the claims plus a processing fee. The Health Insurance Fund is supported by payments from other County funds, those that account for personnel costs, based on estimated premium-equivalent amounts.

The claims and judgments liability of \$6,799,671 at November 30, 2013 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability for claims and judgments also includes an estimate of the claims incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

Changes in claims and judgments liability in fiscal years 2013 and 2012 were as follows:

	<u>Balance</u>		<u>Incurred</u>		<u>Claim</u>		<u>Balance</u>
	<u>December 1</u>		<u>Claims and</u>		<u>Payments</u>		<u>November 30</u>
			<u>Changes in</u>				
			<u>Estimates</u>				
2012 - 2013	\$ 5,225,152	\$	19,850,919	\$	18,276,400	\$	6,799,671
2011 - 2012	\$ 4,744,728	\$	18,713,391	\$	18,232,967	\$	5,225,152

The District participates in the Park District Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims, and public officials' liability claims of its members.

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 10 – Risk Management (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the bylaws of PDRMA, assessment factors based on past member experience, and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2012, the total equity of PDRMA was \$36,724,654. For the year ended December 31, 2012, the increase in net position of PDRMA was \$3,558,488. The District made \$205,083 of payments to PDRMA during the year ended March 31, 2013.

In the event of a liability loss exceeding \$21,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

The District purchases employee health insurance from third-party insurance company providers.

Note 11 – Contractual Commitments

As of year-end, the County had entered into various contracts for road and bridge construction and repairs, building projects, and other projects, as shown below. No future financing is required.

	<u>Contract Amount</u>	<u>Remaining Balance</u>
Road and bridge construction and repairs	\$ 63,887,275	\$ 31,656,617
Building projects	491,692	403,241
Other projects	<u>8,273,953</u>	<u>2,207,185</u>
	<u>\$ 72,652,920</u>	<u>\$ 34,267,043</u>

As of year-end, encumbrances for contractual commitments is summarized as follows:

General Fund	\$ 4,077,919	\$ 1,586,727
County Highway Fund	15,850,781	6,674,639
Nonmajor Governmental Funds	51,651,117	25,826,788
Valley Hi Fund	848,866	82,275
911 Fund	<u>224,237</u>	<u>96,614</u>
	<u>\$ 72,652,920</u>	<u>\$ 34,267,043</u>

Note 12 – Enterprise Funds – Segment Information

The County maintains one major enterprise fund which accounts for the activities of the Valley Hi Nursing Home. The fund is intended to be self-supporting through resident fees, intergovernmental revenues (mainly Medicare), and real estate taxes.

The other enterprise fund maintained by the County is the 911 fund, which is supported by charges to participating members. Since the 911 fund is the only nonmajor Enterprise Fund, segment information is not presented. All the 911 fund information is included in the basic financial statements.



**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

Note 13 – Fund Balance Restricted for Future Grant/Program Expenditure

The County receives grant funds from various government agencies. The funds are restricted until expended in accordance with the various restrictions imposed by the grantor.

Note 14 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) as of November 30, 2013 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From/To Other Funds Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	County Highway Fund	\$ 389	\$ -
General Fund	Nonmajor Governmental Funds	8,210	-
General Fund	Valley Hi Fund	1,871	-
General Fund	911 Fund	210	-
County Highway Fund	Nonmajor Governmental Funds	3,070,117	-
Nonmajor Governmental Funds	General Fund	18,644	-
Nonmajor Governmental Funds	County Mental Health Fund	20,028	-
Nonmajor Governmental Funds	County Highway Fund	87,984	-
Nonmajor Governmental Funds	Valley Hi Fund	231,899	-
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	20,824	-
Internal Service Fund	General Fund	2,776,516	-
Internal Service Fund	County Mental Health Fund	22,970	-
Internal Service Fund	County Highway Fund	73,127	-
Internal Service Fund	Nonmajor Governmental Funds	70,922	-
Internal Service Fund	Valley Hi Fund	105,197	-
Internal Service Fund	911 Fund	4,834	-
Subtotal - Fund Financial Statements		6,513,742	\$ <u>-</u>
Less: Fund eliminations		(7,774,868)	
Add: Internal service fund activities related to enterprise funds		1,212,492	
Add: Advance from general fund to nonmajor governmental funds		1,605,137	
Total Internal Balances - Government-Wide Statement of Net Position		\$ <u>1,556,503</u>	

The principal reason for these interfund balances is a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 14 – Interfund Balances and Transfers (Continued)

A. Interfund Balances (Continued)

The General Fund is advancing funds to two nonmajor special revenue funds, for the purchase and development of a judiciary and court related project. Under the agreement, the General Fund may advance up to \$3,500,000. The advances are non-interest bearing, with quarterly repayments of \$106,027 to \$107,143, beginning January 2008 through December 2015. The amount of the advance outstanding as of November 30, 2013 is \$457,254.

Additionally, the General Fund is advancing funds to a nonmajor special revenue fund, for the purpose of providing temporary funding for contractually required expenditures that exceed currently available fund resources. Under the agreement, the General Fund may advance up to \$3,347,883. The advance is non-interest bearing, with repayments to begin in 2016 and end by 2020. The amount of the advance outstanding as of November 30, 2013 is \$1,147,883.

B. Transfers

Interfund transfers for the year ended November 30, 2013 are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 866	Working Cash transfers
General Fund	Nonmajor Governmental Funds	9,000	Administrative expenses
General Fund	Nonmajor Governmental Funds	219,486	Contribution for capital project
County Mental Health Fund	Nonmajor Governmental Funds	31,792	Closeout of grant programs
County Highway Fund	Nonmajor Governmental Funds	13,133,879	Use of restricted sales taxes
Nonmajor Governmental Funds	General Fund	4,432,796	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	416,153	Debt service payments
Nonmajor Governmental Funds	County Highway Fund	6,194,878	Debt service payments
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	<u>20,500</u>	Administrative expenses
Subtotal - Governmental Fund Financial Statements		24,459,350	
Less: Fund eliminations		<u>(24,459,350)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 15 – Net Position/Fund Balance

Net position reported on the government-wide statement of net position as of November 30, 2013 includes the following:

**Governmental Activities**

Net investment in capital assets

Land	\$ 61,054,564
Construction in progress	51,732,949
Other capital assets, net of accumulated depreciation/amortization	181,829,833
Less: related long-term debt outstanding	<u>(39,938,315)</u>
Total net investment in capital assets	<u>254,679,031</u>

Restricted

Recorder's Office	2,107,461
Treasurer's Office	420,300
Liability insurance	15,189,846
Geographic information systems	1,884,222
Other administrative purposes	87,720
Community development	205,198
Transportation	67,580,531
Public safety	418,962
Judiciary and court related	2,191,825
Public health and welfare	16,320,310
Employee benefits	2,339,765
Public Building Commission	45,456
Working cash - permanently restricted	<u>800,661</u>

Total restricted 109,592,257

Unrestricted 34,014,313

Total governmental activities net position \$ 398,285,601

**Business-Type Activities**

Net investment in capital assets

Land	\$ 6,000
Other capital assets, net of accumulated depreciation/amortization	14,497,788
Less: related long-term debt outstanding	<u>(29,934)</u>

Total net investment in capital assets 14,473,854

Restricted -  
Unrestricted 38,846,898

Total business-type activities net position \$ 53,320,752

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2013

Note 15 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2013 includes the following:

	General Fund	County Mental Health Fund	County Highway Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Inventory	\$ 129,078	\$ 769	\$ 37,189	\$ 386,547	\$ 553,583
Long-term portion - advance to other funds	1,181,030	-	-	-	1,181,030
Working cash principal	-	-	-	800,661	800,661
	<u>1,310,108</u>	<u>769</u>	<u>37,189</u>	<u>1,187,208</u>	<u>2,535,274</u>
<b>Restricted</b>					
Recorder's Office	40,834	-	-	2,066,308	2,107,142
Treasurer's Office	-	-	-	420,300	420,300
Liability insurance	-	-	-	15,189,846	15,189,846
Geographic information systems	-	-	-	1,884,222	1,884,222
Other administrative purposes	-	-	-	87,720	87,720
Community development	-	-	-	205,198	205,198
Transportation	-	-	6,229,519	58,950,110	65,179,629
Public safety	225,720	-	-	117,415	343,135
Judiciary and court related	16,720	-	-	2,161,555	2,178,275
Public health and welfare	250,847	8,289,106	-	4,847,669	13,387,622
Employee benefits	-	-	-	2,339,765	2,339,765
Public Building Commission	-	-	-	45,456	45,456
Capital projects	-	-	-	60,010	60,010
	<u>534,121</u>	<u>8,289,106</u>	<u>6,229,519</u>	<u>88,375,574</u>	<u>103,428,320</u>
<b>Committed</b>					
Treasurer's Office	-	-	-	177,943	177,943
Revolving Loan Program	-	-	-	1,724,934	1,724,934
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902,877</u>	<u>1,902,877</u>
<b>Assigned</b>					
Subsequent year's budget	1,756,256	-	-	-	1,756,256
Other administrative purposes	719,262	-	-	-	719,262
Community development	392,732	-	-	-	392,732
Public safety	70,774	-	-	-	70,774
Judiciary and court related	549,654	-	-	-	549,654
Public health and welfare	9,079	-	-	-	9,079
	<u>3,497,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,497,757</u>
<b>Unassigned (deficit)</b>	<u>46,556,929</u>	<u>-</u>	<u>-</u>	<u>(1,372,726)</u>	<u>45,184,203</u>
<b>Total fund balance</b>	<u>\$ 51,898,915</u>	<u>\$ 8,289,875</u>	<u>\$ 6,266,708</u>	<u>\$ 90,092,933</u>	<u>\$ 156,548,431</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 16 - Fund Deficits

The following funds reported a deficit as of November 30, 2013:

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit Amount</u>
Illinois Municipal Retirement Fund	Nonmajor Special Revenue Fund	\$ (1,206,114)
Circuit Court Document Storage Fund	Nonmajor Special Revenue Fund	(166,612)

The deficit in the Illinois Municipal Retirement Fund is due to contractually required expenditures exceeding currently available fund resources. The fund deficit is being temporarily financed by an advance from the General Fund. The fund deficit will be eliminated as future revenues are used to repay the advance beginning in 2016 through 2020. See note 14 for more detail on the advance.

The deficit in the Circuit Court Document Storage Fund is due to capital outlay financed by an advance from the general fund. The fund deficit will be eliminated as future revenues are used to repay the advance through 2015. See note 14 for more detail on the advance.

Note 17 – New Governmental Accounting Standard

Following is a summary of a new Statement issued by the Governmental Accounting Standards Board (GASB), which the County will have to implement in a future year:

***Statement No. 68 – “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27”***. This Statement replaces existing accounting and financial reporting standards for defined benefit pension plans. Specifically, this new accounting standard will affect the County’s plans that are affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan, as described in Note 7.

Under the new Statement, in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting, the County will be required to recognize a liability equal to the net pension liability, which is defined as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net position.

Additionally, this Statement requires that actuarial valuations of the total pension liability are required to be performed at least every two years, as well as identifies the actuarial cost methods and certain other assumptions and requirements that must be used in the preparation of the actuarial valuation.

The County is required to implement this Statement for the year ending November 30, 2015.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2013

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Note 18 - Restatement of Beginning Net Position - Change in Accounting Principle

In connection with the implementation of GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities", the County and District have made the following adjustments. On the government-wide statement of net position, debt issuance costs were previously deferred and amortized over the life of the debt. Under GASB Statement No. 65, debt issuance costs are recognized as an expense in the period incurred. The restatement of beginning net position for governmental activities as a result of this adjustment is as follows:

	County (Primary Government)
Net position - November 30, 2012 (as previously reported)	\$ 388,469,143
Adjustment for deferred debt issuance costs	<u>(262,559)</u>
Net position - November 30, 2012 (as restated)	\$ <u><u>388,206,584</u></u>
	District (Component Unit)
Net position - March 31, 2012 (as previously reported)	\$ 101,973,102
Adjustment for deferred debt issuance costs	<u>(824,761)</u>
Net position - March 31, 2012 (as restated)	\$ <u><u>101,148,341</u></u>

Note 19 - Subsequent Event

In December 2013, the County initiated a capital lease for approximately \$400,000 to acquire office equipment for a period of five years. Interest on the lease is at 6.57% and the maturity date is November 2018.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 23,272,794	\$ 23,272,794	\$ 19,413,079	\$ (3,859,715)
Licenses and permits	1,003,000	1,003,000	1,078,123	75,123
Fines and forfeitures	1,146,500	1,146,500	931,083	(215,417)
Grants, contributions, and intergovernmental	3,940,154	4,325,027	3,779,432	(545,595)
Property taxes	37,880,000	37,880,000	37,791,230	(88,770)
Sales taxes	8,744,543	8,744,543	9,404,408	659,865
State income taxes	6,000,000	6,000,000	6,234,765	234,765
Tax transfer stamps	1,200,000	1,700,000	1,896,811	196,811
Other taxes	1,814,490	1,814,490	1,879,106	64,616
Investment income	99,075	99,075	96,857	(2,218)
Miscellaneous	289,000	289,000	197,075	(91,925)
Total Revenues	<u>85,389,556</u>	<u>86,274,429</u>	<u>82,701,969</u>	<u>(3,572,460)</u>
<b>EXPENDITURES</b>				
Current				
General and administrative	28,889,289	29,321,973	26,961,889	2,360,084
Community development	1,344,492	1,594,153	1,432,644	161,509
Public safety	33,838,528	34,069,228	32,873,308	1,195,920
Judiciary and court related	9,816,079	9,954,800	9,494,507	460,293
Public health and welfare	7,067,826	7,434,075	6,636,553	797,522
Capital outlay	1,052,339	3,488,882	1,860,846	1,628,036
Debt service				
Principal retirement	703,294	703,294	681,871	21,423
Interest and fiscal charges	45,169	45,169	63,396	(18,227)
Total Expenditures	<u>82,757,016</u>	<u>86,611,574</u>	<u>80,005,014</u>	<u>6,606,560</u>
Excess (deficiency) of revenues over expenditures	<u>2,632,540</u>	<u>(337,145)</u>	<u>2,696,955</u>	<u>3,034,100</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	60,354	279,840	229,352	(50,488)
Transfers out	(4,488,691)	(4,488,691)	(4,432,796)	55,895
Capital leases issued	-	181,184	181,184	-
Total Other Financing Sources (Uses)	<u>(4,428,337)</u>	<u>(4,027,667)</u>	<u>(4,022,260)</u>	<u>5,407</u>
Net Change in Fund Balance	\$ <u>(1,795,797)</u>	\$ <u>(4,364,812)</u>	(1,325,305)	\$ <u>3,039,507</u>
Fund Balance - Beginning of Year			<u>53,224,220</u>	
Fund Balance - End of Year			\$ <u>51,898,915</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY MENTAL HEALTH FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 907,364	\$ 907,364	\$ 511,793	\$ (395,571)
Property taxes	11,875,000	11,875,000	11,802,095	(72,905)
Investment income	8,100	8,100	10,312	2,212
Miscellaneous	<u>19,000</u>	<u>19,000</u>	<u>7,593</u>	<u>(11,407)</u>
Total Revenues	<u>12,809,464</u>	<u>12,809,464</u>	<u>12,331,793</u>	<u>(477,671)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	2,474,957	2,474,957	1,981,933	493,024
Contractual services	9,983,789	9,983,789	8,695,530	1,288,259
Commodities	208,048	208,048	71,359	136,689
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Expenditures	<u>12,686,794</u>	<u>12,686,794</u>	<u>10,748,822</u>	<u>1,937,972</u>
Excess of revenues over expenditures	<u>122,670</u>	<u>122,670</u>	<u>1,582,971</u>	<u>1,460,301</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	35,000	31,792	(3,208)
Transfers out	<u>(416,153)</u>	<u>(416,153)</u>	<u>(416,153)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(416,153)</u>	<u>(381,153)</u>	<u>(384,361)</u>	<u>(3,208)</u>
Net Change in Fund Balance	<u>\$ (293,483)</u>	<u>\$ (258,483)</u>	1,198,610	<u>\$ 1,457,093</u>
Fund Balance - Beginning of Year			<u>7,091,265</u>	
Fund Balance - End of Year			<u>\$ 8,289,875</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY HIGHWAY FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 4,000	\$ 4,000	\$ 2,342	\$ (1,658)
Licenses and permits	61,000	61,000	85,978	24,978
Grants, contributions, and intergovernmental	1,918,450	1,918,450	1,319,060	(599,390)
Property taxes	6,600,000	6,600,000	6,584,542	(15,458)
Investment income	5,100	5,100	7,367	2,267
Miscellaneous	110,800	110,800	83,906	(26,894)
Total Revenues	8,699,350	8,699,350	8,083,195	(616,155)
<b>EXPENDITURES</b>				
Current				
Transportation				
Personnel services	5,147,934	5,147,934	4,714,803	433,131
Contractual services	7,108,266	11,393,286	4,510,011	6,883,275
Commodities	677,793	809,399	725,380	84,019
Capital outlay	8,143,107	9,885,043	4,792,708	5,092,335
Total Expenditures	21,077,100	27,235,662	14,742,902	12,492,760
Deficiency of revenues over expenditures	(12,377,750)	(18,536,312)	(6,659,707)	11,876,605
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	18,572,628	18,572,628	13,133,879	(5,438,749)
Transfers out	(6,194,878)	(6,194,878)	(6,194,878)	-
Total Other Financing Sources (Uses)	12,377,750	12,377,750	6,939,001	(5,438,749)
Net Change in Fund Balance	\$ -	\$ (6,158,562)	279,294	\$ 6,437,856
Fund Balance - Beginning of Year			5,987,414	
Fund Balance - End of Year			\$ 6,266,708	

See Independent Auditors' Report and accompanying notes to required supplementary information.

**County of McHenry, Illinois**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
November 30, 2013

<b>Regular Plan</b>							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)		Percentage of
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered		Covered
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll		Payroll
	Assets	Entry Age	(UAAL)				((2-1)/3)
12/31/2012	\$ 85,235,771	\$ 106,849,241	\$ 21,613,470	79.77 %	\$ 50,564,074		42.74 %
12/31/2011	81,297,092	102,169,163	20,872,071	79.57	49,642,272		42.04
12/31/2010	78,797,858	97,995,090	19,197,232	80.41	48,863,841		39.29
12/31/2009	74,806,316	91,280,346	16,474,030	81.95	47,235,973		34.88
12/31/2008	69,717,859	82,892,396	13,174,537	84.11	44,550,297		29.57
12/31/2007	81,125,258	80,139,699	(985,559)	101.23	41,301,574		(2.39)
12/31/2006	72,662,657	72,898,658	236,001	99.68	37,686,288		0.63
12/31/2005	64,315,033	65,315,467	1,000,434	98.47	34,406,368		2.91
12/31/2004	60,393,684	63,333,487	2,939,803	95.36	32,248,235		9.12
12/31/2003	57,414,076	55,692,335	(1,721,741)	103.09	28,791,841		(5.98)

**Sheriff's Law Enforcement Personnel Plan (SLEP)**

							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)		Percentage of
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered		Covered
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll		Payroll
	Assets	Entry Age	(UAAL)				((2-1)/3)
12/31/2012	\$ 28,192,668	\$ 52,906,778	\$ 24,714,110	53.29 %	\$ 11,666,635		211.84 %
12/31/2011	27,148,406	53,163,644	26,015,238	51.07	11,809,523		220.29
12/31/2010	26,503,330	50,979,092	24,475,762	51.99	12,052,832		203.07
12/31/2009	25,980,534	48,426,943	22,446,409	53.65	11,593,816		193.61
12/31/2008	21,943,584	43,151,340	21,207,756	50.85	11,099,363		191.07
12/31/2007	28,010,321	41,050,615	13,040,294	68.23	10,739,633		121.42
12/31/2006	23,537,231	37,103,030	13,565,799	63.44	10,119,707		134.05
12/31/2005	23,063,831	35,063,778	11,999,947	65.78	9,711,808		123.56
12/31/2004	21,752,530	31,037,611	9,285,081	70.08	9,452,233		98.23
12/31/2003	24,403,588	29,950,460	5,546,872	81.48	8,762,956		63.30

**Conservation District Plan (Component Unit)**

							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)		Percentage of
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered		Covered
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll		Payroll
	Assets	Entry Age	(UAAL)				((2-1)/3)
12/31/2012	\$ 6,563,413	\$ 9,610,061	\$ 3,046,648	68.30 %	\$ 4,328,735		70.38 %
12/31/2011	5,837,449	8,726,340	2,888,891	66.89	4,160,902		69.43
12/31/2010	5,321,250	7,966,498	2,645,248	66.80	4,086,677		64.73
12/31/2009	4,546,970	7,288,433	2,741,463	62.39	4,089,649		67.03
12/31/2008	4,007,472	6,142,502	2,135,030	65.24	3,669,347		58.19
12/31/2007	3,779,647	5,542,087	1,762,440	68.20	3,388,994		52.00
12/31/2006	3,106,899	4,756,881	1,649,982	65.31	3,038,721		54.30
12/31/2005	3,020,937	4,511,798	1,490,861	66.96	2,948,830		50.56
12/31/2004	2,514,944	3,716,034	1,201,090	67.68	2,540,270		47.28
12/31/2003	2,094,537	3,179,461	1,084,924	65.88	2,357,941		46.01

See Independent Auditors' Report and accompanying notes to required supplementary information.

**County of McHenry, Illinois**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
November 30, 2013

<b>County Plan</b>							UAAL as a Percentage of Covered Payroll ((2-1)/3)	
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll			
8/1/2011	\$ -	\$ 15,797,805	\$ 15,797,805	- %	\$ 65,612,697		24.08	%
8/1/2009	-	14,687,870	14,687,870	-	62,919,438		23.34	
8/1/2007	-	12,127,965	12,127,965	-	55,354,688		21.91	

**Conservation District Plan (Component Unit)**

							UAAL as a Percentage of Covered Payroll ((2-1)/3)	
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll			
3/31/2012	\$ -	\$ 145,721	\$ 145,721	- %	\$ 4,160,902		3.50	%
3/31/2009	\$ -	\$ 131,224	\$ 131,224	- %	\$ 4,046,737		3.24	%

See Independent Auditors' Report and accompanying notes to required supplementary information.

**County of McHenry, Illinois**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2013

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Note 1 – Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at fiscal year-end.

Note 2 – Excess of Expenditures Over Appropriations

No major funds had an excess of expenditures over appropriations for the year ended November 30, 2013.

Note 3 – IMRF Information

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$88,252,795 for the Regular Plan, \$29,719,858 for the SLEP Plan, and \$6,755,907 for the District Plan. On a market basis, the funded ratio would be 82.60% for the Regular Plan, 56.17% for the SLEP Plan, and 70.30% for the District Plan.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the County and the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See Independent Auditors' Report.

## **SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

To account for and report all financial resources not accounted for and reported in another fund.



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CHARGES FOR SERVICES</b>				
General and Administrative				
County clerk fees	\$ 190,000	\$ 190,000	\$ 151,701	\$ (38,299)
Tax redemption fees	180,000	180,000	113,525	(66,475)
Recording fees	1,200,000	1,200,000	1,272,108	72,108
Penalties/fees on delinquent taxes	1,900,000	1,900,000	1,545,528	(354,472)
Cable television franchise fees	500,000	500,000	535,001	35,001
Assessor's salary reimbursement	54,371	54,371	51,500	(2,871)
Other fees and charges	12,225	12,225	9,657	(2,568)
Community Development				
Subdivision review fees	5,000	5,000	5,855	855
Maps and publications fees	1,000	1,000	794	(206)
Solid waster tipping fees	21,000	21,000	21,000	-
Other fees and charges	11,500	11,500	4,772	(6,728)
Public Safety				
Sheriff fees - circuit court	400,000	400,000	343,827	(56,173)
Sheriff fees - photocopies	5,000	5,000	7,200	2,200
Sheriff fees - foreign courts	48,000	48,000	36,094	(11,906)
Foreclosures	45,000	45,000	36,860	(8,140)
Court security fees	765,000	765,000	646,392	(118,608)
Jail space rental	10,800,000	10,800,000	8,074,769	(2,725,231)
Payphones	200,000	200,000	120,998	(79,002)
Dispatching fee	200,000	200,000	235,633	35,633
Squad car replacement fee	32,000	32,000	22,712	(9,288)
Sheriff salary reimbursement	-	-	75,091	75,091
Other fees and charges	47,250	47,250	81,949	34,699
Judiciary and Court Related				
10% bond earnings	395,000	395,000	345,655	(49,345)
Circuit clerk fees	3,640,000	3,640,000	3,138,111	(501,889)
County court fees	230,000	230,000	193,308	(36,692)
Court services salary reimbursements	620,768	620,768	779,773	159,005
State's attorney salary reimbursements	150,000	150,000	144,677	(5,323)
State's attorney fees	80,000	80,000	66,002	(13,998)
Public aid	30,000	30,000	13,248	(16,752)
Periodic imprisonment fees	15,000	15,000	9,450	(5,550)
Public defender salary reimbursement	99,955	99,955	99,895	(60)
Public defenders fees	80,000	80,000	45,984	(34,016)
Other fees and charges	67,100	67,100	41,459	(25,641)

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>CHARGES FOR SERVICES (Continued)</b>				
Public Health and Welfare				
Animal control tags	\$ 632,000	\$ 632,000	\$ 645,204	\$ 13,204
Veterinary fees	60,000	60,000	65,111	5,111
Nursing fees	96,000	96,000	63,571	(32,429)
Health review fees	5,000	5,000	4,875	(125)
Health promotion	17,500	17,500	12,473	(5,027)
Vital record fees	58,000	58,000	49,485	(8,515)
Subdivision review fees	4,000	4,000	4,338	338
Medicare	35,000	35,000	5,516	(29,484)
Public aid	150,000	150,000	134,203	(15,797)
Private pay	10,000	10,000	-	(10,000)
Vision and hearing fees	50,000	50,000	37,943	(12,057)
Other fees and charges	130,125	130,125	119,832	(10,293)
Total Charges for Services	<u>23,272,794</u>	<u>23,272,794</u>	<u>19,413,079</u>	<u>(3,859,715)</u>
<b>LICENSES AND PERMITS</b>				
General and Administrative				
Liquor licenses	105,000	105,000	107,550	2,550
Amusement licenses	11,000	11,000	8,378	(2,622)
Community Development				
Building permits	210,000	210,000	262,641	52,641
Zoning permits	70,000	70,000	68,776	(1,224)
Stormwater permits	60,000	60,000	89,388	29,388
Public Health and Welfare				
Septic and well permits	85,000	85,000	84,048	(952)
Health licenses	450,000	450,000	448,223	(1,777)
Hauler license fees	12,000	12,000	9,119	(2,881)
Total Licenses and Permits	<u>1,003,000</u>	<u>1,003,000</u>	<u>1,078,123</u>	<u>75,123</u>
<b>FINES AND FORFEITURES</b>				
Community Development				
Planning fines	10,000	10,000	5,567	(4,433)
Judiciary and Court Related				
Fines and bond forfeitures	1,002,500	1,002,500	804,358	(198,142)
County drug fines	95,000	95,000	94,333	(667)
Public Health and Welfare				
Veterinary fines	39,000	39,000	26,825	(12,175)
Total Fines and Forfeitures	<u>1,146,500</u>	<u>1,146,500</u>	<u>931,083</u>	<u>(215,417)</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GRANTS, CONTRIBUTIONS, AND</b>				
<b>INTERGOVERNMENTAL</b>				
General and Administrative				
Election-related grants	\$ 115,000	\$ 115,000	\$ 31,407	\$ (83,593)
Other grants	-	17,588	49,949	32,361
Community Development				
Planning and development grants	-	-	8,790	8,790
Public Safety				
Sheriff's Office - grants	138,886	186,755	129,768	(56,987)
Emergency Management - grants	86,878	110,424	97,846	(12,578)
Judiciary and Court Related				
Dependent children/parent reimbursements	30,000	30,000	37,701	7,701
State's Attorney - grants	23,535	23,535	25,318	1,783
Court Administration - grants	9,500	9,500	29,063	19,563
Public Health and Welfare				
Health department grants -				
Nursing	2,836,567	3,042,788	2,798,188	(244,600)
Environmental	146,488	236,137	306,623	70,486
Administration	53,300	53,300	105,466	52,166
IDPH vaccines	500,000	500,000	159,313	(340,687)
Total Grants, Contributions, and Intergovernmental	<u>3,940,154</u>	<u>4,325,027</u>	<u>3,779,432</u>	<u>(545,595)</u>
<b>PROPERTY TAXES</b>	<u>37,880,000</u>	<u>37,880,000</u>	<u>37,791,230</u>	<u>(88,770)</u>
<b>SALES TAXES</b>	<u>8,744,543</u>	<u>8,744,543</u>	<u>9,404,408</u>	<u>659,865</u>
<b>STATE INCOME TAXES</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,234,765</u>	<u>234,765</u>
<b>TAX TRANSFER STAMPS</b>	<u>1,200,000</u>	<u>1,700,000</u>	<u>1,896,811</u>	<u>196,811</u>
<b>OTHER TAXES</b>				
Local use tax	1,009,490	1,009,490	1,106,792	97,302
Personal property replacement tax	710,000	710,000	696,716	(13,284)
Off track betting	95,000	95,000	75,598	(19,402)
Total Other Taxes	<u>1,814,490</u>	<u>1,814,490</u>	<u>1,879,106</u>	<u>64,616</u>
<b>INVESTMENT INCOME</b>				
Interest	<u>99,075</u>	<u>99,075</u>	<u>96,857</u>	<u>(2,218)</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
MISCELLANEOUS				
General and Administrative				
Tax sale indemnity proceeds	\$ 235,000	\$ 235,000	\$ 150,460	\$ (84,540)
Proceeds from sale of capital assets	40,000	40,000	26,164	(13,836)
Other income	<u>14,000</u>	<u>14,000</u>	<u>20,451</u>	<u>6,451</u>
Total Miscellaneous	<u>289,000</u>	<u>289,000</u>	<u>197,075</u>	<u>(91,925)</u>
TOTAL REVENUES	<u>\$ 85,389,556</u>	<u>\$ 86,274,429</u>	<u>\$ 82,701,969</u>	<u>\$ (3,572,460)</u>
				(Concluded)

**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GENERAL AND ADMINISTRATIVE</b>				
Administration				
Personnel services	\$ 547,517	\$ 580,390	\$ 580,385	\$ 5
Contractual services	145,300	170,300	159,781	10,519
Commodities	17,950	17,950	13,312	4,638
Total Administration	<u>710,767</u>	<u>768,640</u>	<u>753,478</u>	<u>15,162</u>
Auditor				
Personnel services	367,248	376,495	376,489	6
Contractual services	6,900	7,250	7,052	198
Commodities	11,049	14,699	10,759	3,940
Total Auditor	<u>385,197</u>	<u>398,444</u>	<u>394,300</u>	<u>4,144</u>
County Board and Liquor Commission				
Personnel services	622,914	622,914	612,446	10,468
Contractual services	70,632	69,632	62,130	7,502
Commodities	32,000	33,000	32,061	939
Total County Board and Liquor Commission	<u>725,546</u>	<u>725,546</u>	<u>706,637</u>	<u>18,909</u>
County Clerk				
Personnel services	424,152	439,706	439,702	4
Contractual services	7,050	7,050	5,289	1,761
Commodities	9,100	9,100	6,464	2,636
Total County Clerk	<u>440,302</u>	<u>455,856</u>	<u>451,455</u>	<u>4,401</u>
County Clerk - Elections				
Personnel services	577,094	581,234	581,229	5
Contractual services	236,700	236,700	202,845	33,855
Commodities	257,500	257,500	234,889	22,611
Total County Clerk - Elections	<u>1,071,294</u>	<u>1,075,434</u>	<u>1,018,963</u>	<u>56,471</u>
Educational Service Region				
Personnel services	173,611	173,611	172,188	1,423
Contractual services	10,650	10,650	5,800	4,850
Commodities	14,150	14,150	11,068	3,082
Total Educational Service Region	<u>198,411</u>	<u>198,411</u>	<u>189,056</u>	<u>9,355</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GENERAL AND ADMINISTRATIVE (Continued)</b>				
Facilities Management				
Personnel services	\$ 1,117,224	\$ 1,148,378	\$ 1,148,374	\$ 4
Contractual services	1,677,273	1,726,138	1,653,455	72,683
Commodities	<u>136,556</u>	<u>174,922</u>	<u>133,972</u>	<u>40,950</u>
Total Facilities Management	<u>2,931,053</u>	<u>3,049,438</u>	<u>2,935,801</u>	<u>113,637</u>
Human Resources				
Personnel services	265,652	265,652	261,081	4,571
Contractual services	264,130	279,755	246,299	33,456
Commodities	<u>6,250</u>	<u>6,250</u>	<u>3,263</u>	<u>2,987</u>
Total Human Resources	<u>536,032</u>	<u>551,657</u>	<u>510,643</u>	<u>41,014</u>
Information Technology				
Personnel services	1,782,680	1,782,680	1,732,455	50,225
Contractual services	1,424,879	1,442,268	1,376,013	66,255
Commodities	<u>76,477</u>	<u>77,573</u>	<u>60,753</u>	<u>16,820</u>
Total Information Technology	<u>3,284,036</u>	<u>3,302,521</u>	<u>3,169,221</u>	<u>133,300</u>
Merit Commission				
Personnel services	5,100	5,100	2,592	2,508
Contractual services	54,000	68,762	30,207	38,555
Commodities	<u>900</u>	<u>900</u>	<u>308</u>	<u>592</u>
Total Merit Commission	<u>60,000</u>	<u>74,762</u>	<u>33,107</u>	<u>41,655</u>
Purchasing				
Personnel services	242,326	242,326	222,067	20,259
Contractual services	13,130	13,130	12,542	588
Commodities	<u>422,735</u>	<u>422,735</u>	<u>372,725</u>	<u>50,010</u>
Total Purchasing	<u>678,191</u>	<u>678,191</u>	<u>607,334</u>	<u>70,857</u>
Recorder				
Personnel services	982,397	987,010	987,004	6
Contractual services	35,615	35,615	23,752	11,863
Commodities	<u>844,345</u>	<u>1,344,345</u>	<u>1,294,458</u>	<u>49,887</u>
Total Recorder	<u>1,862,357</u>	<u>2,366,970</u>	<u>2,305,214</u>	<u>61,756</u>
Supervisor of Assessments				
Personnel services	865,074	865,074	853,368	11,706
Contractual services	97,070	84,570	50,940	33,630
Commodities	<u>13,500</u>	<u>26,000</u>	<u>21,083</u>	<u>4,917</u>
Total Supervisor of Assessments	<u>975,644</u>	<u>975,644</u>	<u>925,391</u>	<u>50,253</u>
				(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GENERAL AND ADMINISTRATIVE (Continued)</b>				
Treasurer				
Personnel services	\$ 492,500	\$ 492,973	\$ 492,968	\$ 5
Contractual services	64,495	64,495	64,387	108
Commodities	<u>7,100</u>	<u>7,100</u>	<u>7,100</u>	<u>-</u>
Total Treasurer	<u>564,095</u>	<u>564,568</u>	<u>564,455</u>	<u>113</u>
Non-Departmental				
Personnel services	1,057,956	692,680	837	691,843
Contractual services	13,396,558	13,427,871	12,395,686	1,032,185
Commodities	<u>11,850</u>	<u>15,340</u>	<u>311</u>	<u>15,029</u>
Total Non-Departmental	<u>14,466,364</u>	<u>14,135,891</u>	<u>12,396,834</u>	<u>1,739,057</u>
Total General and Administrative	<u>28,889,289</u>	<u>29,321,973</u>	<u>26,961,889</u>	<u>2,360,084</u>
<b>COMMUNITY DEVELOPMENT</b>				
Planning and Development				
Personnel services	1,142,239	1,174,789	1,174,784	5
Contractual services	138,715	363,152	212,461	150,691
Commodities	<u>63,538</u>	<u>56,212</u>	<u>45,399</u>	<u>10,813</u>
Total Planning and Development	<u>1,344,492</u>	<u>1,594,153</u>	<u>1,432,644</u>	<u>161,509</u>
Total Community Development	<u>1,344,492</u>	<u>1,594,153</u>	<u>1,432,644</u>	<u>161,509</u>
<b>PUBLIC SAFETY</b>				
County Sheriff				
Personnel services	28,491,010	28,534,458	27,826,895	707,563
Contractual services	3,571,261	3,557,671	3,228,764	328,907
Commodities	<u>986,206</u>	<u>1,104,413</u>	<u>966,197</u>	<u>138,216</u>
Total County Sheriff	<u>33,048,477</u>	<u>33,196,542</u>	<u>32,021,856</u>	<u>1,174,686</u>
Emergency Management				
Personnel services	214,190	221,872	221,867	5
Contractual services	33,000	48,745	28,722	20,023
Commodities	<u>14,850</u>	<u>37,242</u>	<u>36,040</u>	<u>1,202</u>
Total Emergency Management	<u>262,040</u>	<u>307,859</u>	<u>286,629</u>	<u>21,230</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC SAFETY (Continued)</b>				
County Coroner				
Personnel services	\$ 373,904	\$ 410,720	\$ 410,716	\$ 4
Contractual services	137,675	138,134	138,134	-
Commodities	16,432	15,973	15,973	-
Total County Coroner	528,011	564,827	564,823	4
Total Public Safety	33,838,528	34,069,228	32,873,308	1,195,920
<b>JUDICIARY AND COURT RELATED</b>				
Clerk of the Circuit Court				
Personnel services	1,905,782	1,905,782	1,821,159	84,623
Contractual services	29,450	29,450	29,440	10
Commodities	26,150	26,150	26,084	66
Total Clerk of the Circuit Court	1,961,382	1,961,382	1,876,683	84,699
Court Administration				
Personnel services	411,221	428,352	428,347	5
Contractual services	646,000	649,105	514,603	134,502
Commodities	86,500	86,500	76,028	10,472
Total Court Administration	1,143,721	1,163,957	1,018,978	144,979
Court Services				
Personnel services	2,404,273	2,411,635	2,411,630	5
Contractual services	470,900	470,900	259,013	211,887
Commodities	26,300	26,300	20,318	5,982
Total Court Services	2,901,473	2,908,835	2,690,961	217,874
Public Defender				
Personnel services	922,489	954,743	954,738	5
Contractual services	10,550	10,350	5,934	4,416
Commodities	9,929	10,129	10,011	118
Total Public Defender	942,968	975,222	970,683	4,539
State's Attorney				
Personnel services	2,633,259	2,712,128	2,712,124	4
Contractual services	185,776	180,776	176,319	4,457
Commodities	47,500	52,500	48,759	3,741
Total State's Attorney	2,866,535	2,945,404	2,937,202	8,202
Total Judiciary and Court Related	9,816,079	9,954,800	9,494,507	460,293

(Continued)



**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC HEALTH AND WELFARE</b>				
Health Department				
Personnel services	\$ 5,163,247	\$ 5,252,037	\$ 5,252,031	\$ 6
Contractual services	862,713	1,095,826	846,605	249,221
Commodities	<u>1,041,866</u>	<u>1,086,212</u>	<u>537,917</u>	<u>548,295</u>
Total Health Department	<u>7,067,826</u>	<u>7,434,075</u>	<u>6,636,553</u>	<u>797,522</u>
Total Public Health and Welfare	<u>7,067,826</u>	<u>7,434,075</u>	<u>6,636,553</u>	<u>797,522</u>
Total Expenditures - Current	<u>80,956,214</u>	<u>82,374,229</u>	<u>77,398,901</u>	<u>4,975,328</u>
<b>CAPITAL OUTLAY</b>	<u>1,052,339</u>	<u>3,488,882</u>	<u>1,860,846</u>	<u>1,628,036</u>
<b>DEBT SERVICE</b>				
Principal retirement	703,294	703,294	681,871	21,423
Interest and fiscal charges	<u>45,169</u>	<u>45,169</u>	<u>63,396</u>	<u>(18,227)</u>
Total Debt Service	<u>748,463</u>	<u>748,463</u>	<u>745,267</u>	<u>3,196</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 82,757,016</u>	<u>\$ 86,611,574</u>	<u>\$ 80,005,014</u>	<u>\$ 6,606,560</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -  
COMBINING STATEMENTS**

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
November 30, 2013

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 92,261,762	\$ -	\$ 60,906	\$ 801,527	\$ 93,124,195
Property taxes receivable	18,126,025	-	-	-	18,126,025
Other receivables	1,237,675	-	-	-	1,237,675
Due from other governments	6,492,233	-	-	-	6,492,233
Due from other funds	379,379	-	-	-	379,379
Inventory	386,547	-	-	-	386,547
Total Assets	<u>\$ 118,883,621</u>	<u>\$ -</u>	<u>\$ 60,906</u>	<u>\$ 801,527</u>	<u>\$ 119,746,054</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 3,003,553	\$ -	\$ 896	\$ -	\$ 3,004,449
Accrued payroll	1,553,310	-	-	-	1,553,310
Unearned revenue	540	-	-	-	540
Due to other funds	3,169,207	-	-	866	3,170,073
Advance from other funds	1,605,137	-	-	-	1,605,137
Total Liabilities	<u>9,331,747</u>	<u>-</u>	<u>896</u>	<u>866</u>	<u>9,333,509</u>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for future period	18,126,025	-	-	-	18,126,025
Unavailable revenue	2,193,587	-	-	-	2,193,587
Total Deferred Inflows of Resources	<u>20,319,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,319,612</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	386,547	-	-	800,661	1,187,208
Restricted	88,315,564	-	60,010	-	88,375,574
Committed	1,902,877	-	-	-	1,902,877
Unassigned	(1,372,726)	-	-	-	(1,372,726)
Total Fund Balances	<u>89,232,262</u>	<u>-</u>	<u>60,010</u>	<u>800,661</u>	<u>90,092,933</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 118,883,621</u>	<u>\$ -</u>	<u>\$ 60,906</u>	<u>\$ 801,527</u>	<u>\$ 119,746,054</u>

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2013

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Charges for services	\$ 4,657,436	\$ -	\$ -	\$ -	\$ 4,657,436
Fines and forfeitures	27,125	-	-	-	27,125
Grants, contributions, and intergovernmental	15,623,081	-	-	-	15,623,081
Property taxes	16,935,417	-	-	-	16,935,417
Sales taxes	9,314,212	-	-	-	9,314,212
Other taxes	126,343	-	-	-	126,343
Investment income	153,232	-	97	866	154,195
Miscellaneous	142,352	-	-	-	142,352
Total Revenues	46,979,198	-	97	866	46,980,161
<b>EXPENDITURES</b>					
Current					
General and administrative	5,555,210	-	-	-	5,555,210
Community development	2,528,927	-	-	-	2,528,927
Transportation	7,176,749	-	-	-	7,176,749
Public safety	5,316,429	-	-	-	5,316,429
Judiciary and court related	3,938,127	-	-	-	3,938,127
Public health and welfare	7,530,460	-	-	-	7,530,460
Capital outlay	6,234,938	-	4,491	-	6,239,429
Debt service					
Principal retirement	31,007	8,975,000	-	-	9,006,007
Interest and fiscal charges	2,749	2,074,074	-	-	2,076,823
Total Expenditures	38,314,596	11,049,074	4,491	-	49,368,161
Excess (deficiency) of revenues over expenditures	8,664,602	(11,049,074)	(4,394)	866	(2,388,000)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	20,500	11,043,827	-	-	11,064,327
Transfers out	(13,414,657)	-	-	(866)	(13,415,523)
Total Other Financing Sources (Uses)	(13,394,157)	11,043,827	-	(866)	(2,351,196)
Net Change in Fund Balances	(4,729,555)	(5,247)	(4,394)	-	(4,739,196)
Fund Balances - Beginning of Year	93,961,817	5,247	64,404	800,661	94,832,129
Fund Balances - End of Year	\$ 89,232,262	\$ -	\$ 60,010	\$ 800,661	\$ 90,092,933

## NONMAJOR SPECIAL REVENUE FUNDS

**Veterans' Assistance Commission Bus Fund** – to account for expenditures related to the purchase of buses used to transport veterans.

**Veterans' Assistance Commission Fund** – to account for expenditures to assist veterans. Revenue is from property taxes.

**Illinois Municipal Retirement Fund** – To account for expenditures for municipal retirement expenses for the County's employees. Revenue is primarily from property taxes.

**Social Security Fund** – to account for expenditures related to Social Security payments to the United States government. Revenue is primarily from property taxes.

**Coroner's Fund** - to account for fees collected by the Coroner that are restricted for expenditures of the Coroner's Office.

**Matching Fund** – to account for expenditures for road construction. Revenue is from property taxes.

**County Bridge Fund** – to account for expenditures to construct and maintain County bridges. Revenue is from property taxes.

**County Option Motor Fuel Tax Fund** – To account for the collection of an optional gasoline tax to be used for road maintenance and repair.

**Tuberculosis Care and Treatment Fund** – to account for expenditures for the administration of the tuberculosis care program. Revenue is from property taxes.

**Maintenance and Child Support Collection Fund** – to account for fees charged to obligors to process child support payments.

**County Clerk Automation Fund** – to account for fees collected to be used for the automation of the County Clerk's Office.

**Recorder Automation Fund** – to account for Recorder's automation fees to be used to improve the capabilities of the Recorder's office through the application of new technology.

**Animal Shelter Fund** – to account for expenditures for the maintenance of the animal shelter. Revenue is primarily from donations and contributions.

**County Treasurer Automation Fund** – to account for the collection of a fee for the upgrading of equipment and programs necessary to assist in the collection and distribution of taxes. The funds are also used for advanced recordkeeping and to microfiche all office records.

**Workforce Network Fund** – to account for funds received under the Workforce Investment Act (WIA) used for various employment and training programs and services, which help eligible individuals become economically self-sufficient.

**Law Library Fund** – to account for the operations of the law library. Revenues are from a fee charged on civil court cases.

**Special Courts Fund** – to account for the activities of the Mental Health Court and the Drug Court. Revenues are primarily from judiciary and court related fees.

**Mental Health Grant Fund** – to account for funds made available through the Title XX and Community Services Block Grant programs and various other grant programs through the Illinois Departments of Human Services and Children and Family Services.

**Circuit Court Document Storage Fund** – to account for the collection of document storage fees to be used to establish and maintain a document storage system in the office of the Clerk of the Circuit Court.

**Probation Service Fee Fund** – to account for probation service fees collected from persons sentenced to probation.

**HUD Grants Fund** – to account for grant funds received from the U.S. Department of Housing and Urban Development (HUD). Grant programs include Community Development Block Grants (CDBG), Home Investment Partnership Program (HOME), and Neighborhood Stabilization Program (NSP). Funds are used to assist communities in meeting their greatest economic and community development needs, with an emphasis upon persons with low to moderate income.

**Dental Care Clinic Fund** – to account for funds used in the operation of the County Dental Care Clinic.

**Circuit Court Automation Fund** – to account for the collection of court automation fees to be used to establish and maintain automated recordkeeping systems of the Clerk of the Circuit Court.

**Illinois Criminal Justice Authority Fund** – to account for funds used in the Multi-Jurisdictional Drug Prosecution Program. This program is designed to prosecute all felony narcotics cases, including any correlative forfeiture actions.

**Circuit Court Admin Fund** – to account for fees that are restricted to the Circuit Clerk's Office.

**EMDT Fund** – to account for funds used for the purpose of providing drug and alcohol testing along with electronic monitoring services.

**Treasurer's Passport Services Fund** – to account for the collection of fees and processing of passport applications in the Treasurer's Office.

**State's Attorney Automation Fund** – to account for the collection of a fee to be used to establish and maintain automated recordkeeping systems of the Office of the State's Attorney.

**DUI Conviction Fund** – to account for DUI conviction fines allocated to the County by the Illinois vehicle code to be used for the procurement of law enforcement equipment.

**Geographic Information Systems Fund** – to account for the collection of fees to be used for the implementation and maintenance of the County's Geographic Information System.

**Revolving Loan Fund** – to account for monies received from the State of Illinois for community development loans under the Community Development Block Grant Program. The principal and interest repaid on these loans is kept by the County and used to make new community development loans.

**Health Scholarship Fund** – to account for monies donated for use by the County Board and the Health Department for support of a Public Health Scholarship and research activities.

**Senior Services Fund** – to account for the revenues and expenditures of the social services – senior citizens tax levy.

**RTA Sales Tax Fund** – to account for the collection of a sales tax, which is restricted for use on transportation programs.

**Public Building Commission Fund** – to account for the activities of the Public Building Commission (blended component unit).

**Insurance Loss Fund** – to account for general liability, property, worker's compensation, and unemployment compensation insurance premiums and claims. Revenue is primarily from property taxes.

**Circuit Clerk Electronic Citation Fund** – to account for fees that are restricted to the Circuit Clerk's Office.

**Motor Fuel Tax Fund** – to account for allotments received from the State of Illinois and expenditures for highway construction and maintenance.

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2013

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 6,837	\$ 606,746	\$ 1,164,358	\$ 2,486,556
Property taxes receivable	-	400,000	6,795,000	4,006,025
Other receivables	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 6,837</u>	<u>\$ 1,006,746</u>	<u>\$ 7,959,358</u>	<u>\$ 6,492,581</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 5,970	\$ -	\$ -
Accrued payroll	-	8,943	1,222,589	146,791
Unearned revenue	-	-	-	-
Due to other funds	-	3,723	-	-
Advance from other funds	-	-	1,147,883	-
Total Liabilities	<u>-</u>	<u>18,636</u>	<u>2,370,472</u>	<u>146,791</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	400,000	6,795,000	4,006,025
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>400,000</u>	<u>6,795,000</u>	<u>4,006,025</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	-	-	-	-
Restricted	6,837	588,110	-	2,339,765
Committed	-	-	-	-
Unassigned	-	-	(1,206,114)	-
Total Fund Balances (Deficit)	<u>6,837</u>	<u>588,110</u>	<u>(1,206,114)</u>	<u>2,339,765</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 6,837</u>	<u>\$ 1,006,746</u>	<u>\$ 7,959,358</u>	<u>\$ 6,492,581</u>

Coroner's Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund	Maintenance and Child Support Collection Fund
\$ 48,517	\$ 14,078,865	\$ 6,053,269	\$ 13,577,756	\$ 622,404	\$ 131,564
-	1,150,000	1,050,000	-	250,000	-
-	1,393	-	2,306	-	-
-	112,026	270,781	1,122,414	-	-
-	-	-	-	-	-
-	-	-	310,380	-	-
<u>\$ 48,517</u>	<u>\$ 15,342,284</u>	<u>\$ 7,374,050</u>	<u>\$ 15,012,856</u>	<u>\$ 872,404</u>	<u>\$ 131,564</u>
\$ 9,066	\$ 1,269,552	\$ 177,600	\$ 458,220	\$ 3,454	\$ -
-	-	-	-	6,175	1,567
-	-	-	-	-	-
-	-	-	-	9,452	3,453
-	-	-	-	-	-
<u>9,066</u>	<u>1,269,552</u>	<u>177,600</u>	<u>458,220</u>	<u>19,081</u>	<u>5,020</u>
-	1,150,000	1,050,000	-	250,000	-
-	112,026	270,781	82,603	-	-
-	<u>1,262,026</u>	<u>1,320,781</u>	<u>82,603</u>	<u>250,000</u>	<u>-</u>
-	-	-	310,380	-	-
39,451	12,810,706	5,875,669	14,161,653	603,323	126,544
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,451</u>	<u>12,810,706</u>	<u>5,875,669</u>	<u>14,472,033</u>	<u>603,323</u>	<u>126,544</u>
<u>\$ 48,517</u>	<u>\$ 15,342,284</u>	<u>\$ 7,374,050</u>	<u>\$ 15,012,856</u>	<u>\$ 872,404</u>	<u>\$ 131,564</u>

(Continued)



**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2013

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 87,720	\$ 2,061,733	\$ 24,913	\$ 420,600
Property taxes receivable	-	-	-	-
Other receivables	-	551	-	-
Due from other governments	-	-	-	-
Due from other funds	-	18,644	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 87,720</u>	<u>\$ 2,080,928</u>	<u>\$ 24,913</u>	<u>\$ 420,600</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 150
Accrued payroll	-	10,065	-	150
Unearned revenue	-	-	-	-
Due to other funds	-	4,236	-	-
Advance from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>14,301</u>	<u>-</u>	<u>300</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	319	-	-
	<u>-</u>	<u>319</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>319</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	-	-	-	-
Restricted	87,720	2,066,308	24,913	420,300
Committed	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>87,720</u>	<u>2,066,308</u>	<u>24,913</u>	<u>420,300</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 87,720</u>	<u>\$ 2,080,928</u>	<u>\$ 24,913</u>	<u>\$ 420,600</u>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Mental Health Grant Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ 130,083	\$ 356,995	\$ 557,823	\$ -	\$ 263,991	\$ 727,364
-	-	-	-	-	-
-	-	29,288	-	-	-
2,069,045	-	14,324	-	-	-
-	-	-	-	-	20,500
-	-	-	-	-	-
<u>\$ 2,199,128</u>	<u>\$ 356,995</u>	<u>\$ 601,435</u>	<u>\$ -</u>	<u>\$ 263,991</u>	<u>\$ 747,864</u>
\$ 50,581	\$ 24,838	\$ 2,000	\$ -	\$ 503	\$ 27,097
42,856	5,124	13,851	-	5,926	-
-	-	-	-	-	-
16,323	1,083	6,034	-	-	6,540
-	-	-	-	424,174	-
<u>109,760</u>	<u>31,045</u>	<u>21,885</u>	<u>-</u>	<u>430,603</u>	<u>33,637</u>
-	-	-	-	-	-
<u>1,692,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,692,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
397,173	325,950	579,550	-	-	714,227
-	-	-	-	-	-
-	-	-	-	(166,612)	-
<u>397,173</u>	<u>325,950</u>	<u>579,550</u>	<u>-</u>	<u>(166,612)</u>	<u>714,227</u>
<u>\$ 2,199,128</u>	<u>\$ 356,995</u>	<u>\$ 601,435</u>	<u>\$ -</u>	<u>\$ 263,991</u>	<u>\$ 747,864</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2013

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 205,897	\$ 399,259	\$ 181,670	\$ 1,162
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	136,933	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 342,830</u>	<u>\$ 399,259</u>	<u>\$ 181,670</u>	<u>\$ 1,162</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>				
<b>Liabilities</b>				
Accounts payable	\$ 123,164	\$ 4,069	\$ 6,318	\$ -
Accrued payroll	9,912	15,260	10,094	-
Unearned revenue	540	-	-	-
Due to other funds	4,016	6,096	1,471	-
Advance from other funds	-	-	33,080	-
Total Liabilities	<u>137,632</u>	<u>25,425</u>	<u>50,963</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	-	-	-	-
Restricted	205,198	373,834	130,707	1,162
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>205,198</u>	<u>373,834</u>	<u>130,707</u>	<u>1,162</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 342,830</u>	<u>\$ 399,259</u>	<u>\$ 181,670</u>	<u>\$ 1,162</u>

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 179,864	\$ 57,357	\$ 204,373	\$ 35,894	\$ 94,722	\$ 1,922,994
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>179,864</u>	<u>57,357</u>	<u>204,373</u>	<u>35,894</u>	<u>94,722</u>	<u>1,922,994</u>
\$ 8,290	\$ -	\$ 26,284	\$ -	\$ 16,758	\$ 17,154
895	-	146	-	-	16,123
-	-	-	-	-	-
-	20,500	-	-	-	5,495
-	-	-	-	-	-
<u>9,185</u>	<u>20,500</u>	<u>26,430</u>	<u>-</u>	<u>16,758</u>	<u>38,772</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
170,679	36,857	-	35,894	77,964	1,884,222
-	-	177,943	-	-	-
-	-	-	-	-	-
<u>170,679</u>	<u>36,857</u>	<u>177,943</u>	<u>35,894</u>	<u>77,964</u>	<u>1,884,222</u>
<u>\$ 179,864</u>	<u>\$ 57,357</u>	<u>\$ 204,373</u>	<u>\$ 35,894</u>	<u>\$ 94,722</u>	<u>\$ 1,922,994</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2013

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 574,993	\$ 6,803	\$ 3,357,956	\$ 12,006,593
Property taxes receivable	-	-	1,725,000	-
Other receivables	1,149,941	-	2,072	-
Due from other governments	-	-	-	2,351,764
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 1,724,934</u>	<u>\$ 6,803</u>	<u>\$ 5,085,028</u>	<u>\$ 14,358,357</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 500	\$ 452,639	\$ -
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	60,213	3,009,904
Advance from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>500</u>	<u>512,852</u>	<u>3,009,904</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	-	1,725,000	-
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,725,000</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	-	-	-	-
Restricted	-	6,303	2,847,176	11,348,453
Committed	1,724,934	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>1,724,934</u>	<u>6,303</u>	<u>2,847,176</u>	<u>11,348,453</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,724,934</u>	<u>\$ 6,803</u>	<u>\$ 5,085,028</u>	<u>\$ 14,358,357</u>

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Totals
\$ 45,982	\$ 14,931,214	\$ 39,985	\$ 14,606,950	\$ 92,261,762
-	2,750,000	-	-	18,126,025
262	-	-	51,862	1,237,675
-	-	-	414,946	6,492,233
-	340,235	-	-	379,379
-	-	-	76,167	386,547
<u>\$ 46,244</u>	<u>\$ 18,021,449</u>	<u>\$ 39,985</u>	<u>\$ 15,149,925</u>	<u>\$ 118,883,621</u>
\$ 788	\$ 35,786	\$ -	\$ 282,772	\$ 3,003,553
-	35,149	-	1,694	1,553,310
-	-	-	-	540
-	10,668	-	-	3,169,207
-	-	-	-	1,605,137
<u>788</u>	<u>81,603</u>	<u>-</u>	<u>284,466</u>	<u>9,331,747</u>
-	2,750,000	-	-	18,126,025
-	-	-	35,663	2,193,587
-	2,750,000	-	35,663	20,319,612
-	-	-	76,167	386,547
45,456	15,189,846	39,985	14,753,629	88,315,564
-	-	-	-	1,902,877
-	-	-	-	(1,372,726)
<u>45,456</u>	<u>15,189,846</u>	<u>39,985</u>	<u>14,829,796</u>	<u>89,232,262</u>
<u>\$ 46,244</u>	<u>\$ 18,021,449</u>	<u>\$ 39,985</u>	<u>\$ 15,149,925</u>	<u>\$ 118,883,621</u>

(Concluded)

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended November 30, 2013

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	5,736	-	-
Property taxes	-	399,042	5,237,688	3,791,171
Sales taxes	-	-	-	-
Other taxes	-	-	126,343	-
Investment income	10	3	1,898	2,784
Miscellaneous	500	300	-	-
<b>Total Revenues</b>	<b>510</b>	<b>405,081</b>	<b>5,365,929</b>	<b>3,793,955</b>
<b>EXPENDITURES</b>				
Current				
General and administrative	-	-	894,127	515,640
Community development	-	-	135,031	78,748
Transportation	-	-	328,993	187,046
Public safety	-	-	3,651,652	1,627,641
Judiciary and court related	-	-	978,529	559,071
Public health and welfare	-	415,189	1,192,086	748,823
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>415,189</b>	<b>7,180,418</b>	<b>3,716,969</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>510</b>	<b>(10,108)</b>	<b>(1,814,489)</b>	<b>76,986</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(219,486)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(219,486)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>510</b>	<b>(229,594)</b>	<b>(1,814,489)</b>	<b>76,986</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>6,327</b>	<b>817,704</b>	<b>608,375</b>	<b>2,262,779</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 6,837</b>	<b>\$ 588,110</b>	<b>\$ (1,206,114)</b>	<b>\$ 2,339,765</b>

Coroner's Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund	Maintenance and Child Support Collection Fund
\$ 46,572	\$ -	\$ -	\$ -	\$ 11,118	\$ 128,092
-	-	-	-	-	-
4,625	94,837	99,641	4,206,152	-	-
-	1,247,113	1,247,113	-	249,391	-
-	-	-	-	-	-
-	-	-	-	-	-
64	21,906	8,366	19,754	924	237
-	-	-	839	-	-
<u>51,261</u>	<u>1,363,856</u>	<u>1,355,120</u>	<u>4,226,745</u>	<u>261,433</u>	<u>128,329</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	627,145	441,584	2,109,032	-	-
19,582	-	-	-	-	-
-	-	-	-	-	186,984
-	-	-	-	329,354	-
-	2,172,730	350,200	815,720	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,582</u>	<u>2,799,875</u>	<u>791,784</u>	<u>2,924,752</u>	<u>329,354</u>	<u>186,984</u>
<u>31,679</u>	<u>(1,436,019)</u>	<u>563,336</u>	<u>1,301,993</u>	<u>(67,921)</u>	<u>(58,655)</u>
-	-	-	-	-	-
(9,000)	-	-	-	-	-
(9,000)	-	-	-	-	-
22,679	(1,436,019)	563,336	1,301,993	(67,921)	(58,655)
<u>16,772</u>	<u>14,246,725</u>	<u>5,312,333</u>	<u>13,170,040</u>	<u>671,244</u>	<u>185,199</u>
<u>\$ 39,451</u>	<u>\$ 12,810,706</u>	<u>\$ 5,875,669</u>	<u>\$ 14,472,033</u>	<u>\$ 603,323</u>	<u>\$ 126,544</u>

(Continued)



**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended November 30, 2013

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
<b>REVENUES</b>				
Charges for services	\$ 11,956	\$ 951,106	\$ 1,180	\$ 141,431
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	126	3,232	37	539
Miscellaneous	-	-	-	-
Total Revenues	<u>12,082</u>	<u>954,338</u>	<u>1,217</u>	<u>141,970</u>
<b>EXPENDITURES</b>				
Current				
General and administrative	4,548	517,778	-	66,999
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	-	-
Capital outlay	599	-	-	-
Debt service				
Principal retirement	-	27,882	-	-
Interest and fiscal charges	-	2,749	-	-
Total Expenditures	<u>5,147</u>	<u>548,409</u>	<u>-</u>	<u>66,999</u>
Excess (deficiency) of revenues over expenditures	<u>6,935</u>	<u>405,929</u>	<u>1,217</u>	<u>74,971</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,935	405,929	1,217	74,971
Fund Balances (Deficit) - Beginning of Year	<u>80,785</u>	<u>1,660,379</u>	<u>23,696</u>	<u>345,329</u>
Fund Balances (Deficit) - End of Year	<u>\$ 87,720</u>	<u>\$ 2,066,308</u>	<u>\$ 24,913</u>	<u>\$ 420,300</u>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Mental Health Grant Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ -	\$ 232,033	\$ 233,757	\$ -	\$ 653,730	\$ 314,530
-	-	-	-	-	-
2,434,888	-	279,400	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
254	610	-	-	251	1,127
124,411	-	-	-	-	-
<u>2,559,553</u>	<u>232,643</u>	<u>513,157</u>	<u>-</u>	<u>653,981</u>	<u>315,657</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	337,610	498,559	-	340,770	420,960
2,542,672	-	-	-	-	-
-	-	-	-	-	-
3,125	-	-	-	-	-
-	-	-	-	-	-
<u>2,545,797</u>	<u>337,610</u>	<u>498,559</u>	<u>-</u>	<u>340,770</u>	<u>420,960</u>
<u>13,756</u>	<u>(104,967)</u>	<u>14,598</u>	<u>-</u>	<u>313,211</u>	<u>(105,303)</u>
-	-	-	-	-	20,500
-	-	-	(31,792)	-	-
-	-	-	(31,792)	-	20,500
13,756	(104,967)	14,598	(31,792)	313,211	(84,803)
<u>383,417</u>	<u>430,917</u>	<u>564,952</u>	<u>31,792</u>	<u>(479,823)</u>	<u>799,030</u>
<u>\$ 397,173</u>	<u>\$ 325,950</u>	<u>\$ 579,550</u>	<u>\$ -</u>	<u>\$ (166,612)</u>	<u>\$ 714,227</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended November 30, 2013

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
<b>REVENUES</b>				
Charges for services	\$ -	\$ 83,900	\$ 672,432	\$ -
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	2,520,304	435,943	-	83,394
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	-	636	216	21
Miscellaneous	-	-	-	-
Total Revenues	<u>2,520,304</u>	<u>520,479</u>	<u>672,648</u>	<u>83,415</u>
<b>EXPENDITURES</b>				
Current				
General and administrative	-	-	-	-
Community development	2,315,106	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	417,327	83,394
Public health and welfare	-	587,135	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,315,106</u>	<u>587,135</u>	<u>417,327</u>	<u>83,394</u>
Excess (deficiency) of revenues over expenditures	<u>205,198</u>	<u>(66,656)</u>	<u>255,321</u>	<u>21</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	205,198	(66,656)	255,321	21
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>440,490</u>	<u>(124,614)</u>	<u>1,141</u>
Fund Balances (Deficit) - End of Year	<u>\$ 205,198</u>	<u>\$ 373,834</u>	<u>\$ 130,707</u>	<u>\$ 1,162</u>

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 86,171	\$ 22,860	\$ 82,938	\$ 28,544	\$ -	\$ 911,013
-	-	-	-	27,125	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
241	-	334	32	-	2,858
-	-	-	-	-	-
<u>86,412</u>	<u>22,860</u>	<u>83,272</u>	<u>28,576</u>	<u>27,125</u>	<u>913,871</u>
-	-	103,378	-	-	788,747
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	17,554	-
72,359	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>72,359</u>	<u>-</u>	<u>103,378</u>	<u>-</u>	<u>17,554</u>	<u>788,747</u>
<u>14,053</u>	<u>22,860</u>	<u>(20,106)</u>	<u>28,576</u>	<u>9,571</u>	<u>125,124</u>
-	-	-	-	-	-
-	(20,500)	-	-	-	-
-	(20,500)	-	-	-	-
14,053	2,360	(20,106)	28,576	9,571	125,124
<u>156,626</u>	<u>34,497</u>	<u>198,049</u>	<u>7,318</u>	<u>68,393</u>	<u>1,759,098</u>
<u>\$ 170,679</u>	<u>\$ 36,857</u>	<u>\$ 177,943</u>	<u>\$ 35,894</u>	<u>\$ 77,964</u>	<u>\$ 1,884,222</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended November 30, 2013

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	1,770,890	-
Sales taxes	-	-	-	9,314,212
Other taxes	-	-	-	-
Investment income	38,921	10	4,354	15,510
Miscellaneous	400	-	-	-
Total Revenues	39,321	10	1,775,244	9,329,722
<b>EXPENDITURES</b>				
Current				
General and administrative	-	-	-	-
Community development	42	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	1,715,201	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	42	-	1,715,201	-
Excess (deficiency) of revenues over expenditures	39,279	10	60,043	9,329,722
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(13,133,879)
Total Other Financing Sources (Uses)	-	-	-	(13,133,879)
Net Change in Fund Balances	39,279	10	60,043	(3,804,157)
Fund Balances (Deficit) - Beginning of Year	1,685,655	6,293	2,787,133	15,152,610
Fund Balances (Deficit) - End of Year	\$ 1,724,934	\$ 6,303	\$ 2,847,176	\$ 11,348,453

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Totals
\$ -	\$ -	\$ 44,073	\$ -	\$ 4,657,436
-	-	-	-	27,125
-	-	-	5,458,161	15,623,081
-	2,993,009	-	-	16,935,417
-	-	-	-	9,314,212
-	-	-	-	126,343
1,245	39	71	26,622	153,232
-	15,902	-	-	142,352
<u>1,245</u>	<u>3,008,950</u>	<u>44,144</u>	<u>5,484,783</u>	<u>46,979,198</u>
8,665	2,655,328	-	-	5,555,210
-	-	-	-	2,528,927
-	-	-	3,482,949	7,176,749
-	-	-	-	5,316,429
-	-	42,564	-	3,938,127
-	-	-	-	7,530,460
-	-	-	2,895,689	6,234,938
-	-	-	-	31,007
-	-	-	-	2,749
<u>8,665</u>	<u>2,655,328</u>	<u>42,564</u>	<u>6,378,638</u>	<u>38,314,596</u>
<u>(7,420)</u>	<u>353,622</u>	<u>1,580</u>	<u>(893,855)</u>	<u>8,664,602</u>
-	-	-	-	20,500
-	-	-	-	(13,414,657)
-	-	-	-	(13,394,157)
(7,420)	353,622	1,580	(893,855)	(4,729,555)
<u>52,876</u>	<u>14,836,224</u>	<u>38,405</u>	<u>15,723,651</u>	<u>93,961,817</u>
<u>\$ 45,456</u>	<u>\$ 15,189,846</u>	<u>\$ 39,985</u>	<u>\$ 14,829,796</u>	<u>\$ 89,232,262</u>

(Concluded)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**VETERANS' ASSISTANCE COMMISSION BUS FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment income	\$ 12	\$ 12	\$ 10	\$ (2)
Miscellaneous	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total Revenues	<u>12</u>	<u>12</u>	<u>510</u>	<u>498</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Contractual services	1,000	1,000	-	1,000
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>-</u>	<u>1,550</u>
Net Change in Fund Balance	\$ <u><u>(1,538)</u></u>	\$ <u><u>(1,538)</u></u>	510	\$ <u><u>2,048</u></u>
Fund Balance - Beginning of Year			<u>6,327</u>	
Fund Balance - End of Year			\$ <u><u>6,837</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**VETERANS' ASSISTANCE COMMISSION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ -	\$ 5,736	\$ 5,736	\$ -
Property taxes	400,000	400,000	399,042	(958)
Investment income	200	200	3	(197)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>300</u>	<u>(700)</u>
Total Revenues	<u>401,200</u>	<u>406,936</u>	<u>405,081</u>	<u>(1,855)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	315,314	315,314	259,690	55,624
Contractual services	315,612	316,410	137,887	178,523
Commodities	<u>23,400</u>	<u>28,338</u>	<u>17,612</u>	<u>10,726</u>
Total Expenditures	<u>654,326</u>	<u>660,062</u>	<u>415,189</u>	<u>244,873</u>
Deficiency of revenues over expenditures	(253,126)	(253,126)	(10,108)	243,018
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>(219,486)</u>	<u>(219,486)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>(253,126)</u></u>	\$ <u><u>(472,612)</u></u>	(229,594)	\$ <u><u>243,018</u></u>
Fund Balance - Beginning of Year			<u>817,704</u>	
Fund Balance - End of Year			\$ <u><u>588,110</u></u>	



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 5,250,000	\$ 5,250,000	\$ 5,237,688	\$ (12,312)
Other taxes				
Personal property replacement tax	108,988	108,988	126,343	17,355
Investment income	<u>3,600</u>	<u>3,600</u>	<u>1,898</u>	<u>(1,702)</u>
 Total Revenues	 <u>5,362,588</u>	 <u>5,362,588</u>	 <u>5,365,929</u>	 <u>3,341</u>
<b>EXPENDITURES</b>				
Current				
Personnel services				
General and administrative	897,291	897,291	894,127	3,164
Community development	135,509	135,509	135,031	478
Transportation	330,157	330,157	328,993	1,164
Public safety	3,664,574	3,664,574	3,651,652	12,922
Judiciary and court related	981,992	981,992	978,529	3,463
Public health and welfare	<u>1,196,305</u>	<u>1,196,305</u>	<u>1,192,086</u>	<u>4,219</u>
 Total Expenditures	 <u>7,205,828</u>	 <u>7,205,828</u>	 <u>7,180,418</u>	 <u>25,410</u>
 Net Change in Fund Balance	 <u>\$ (1,843,240)</u>	 <u>\$ (1,843,240)</u>	 (1,814,489)	 <u>\$ 28,751</u>
 Fund Balance - Beginning of Year			<u>608,375</u>	
 Fund Deficit - End of Year			<u>\$ (1,206,114)</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SOCIAL SECURITY FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 3,800,000	\$ 3,800,000	\$ 3,791,171	\$ (8,829)
Investment income	<u>2,900</u>	<u>2,900</u>	<u>2,784</u>	<u>(116)</u>
Total Revenues	<u>3,802,900</u>	<u>3,802,900</u>	<u>3,793,955</u>	<u>(8,945)</u>
<b>EXPENDITURES</b>				
Current				
Personnel services				
General and administrative	558,431	558,431	515,640	42,791
Community development	85,283	85,283	78,748	6,535
Transportation	202,568	202,568	187,046	15,522
Public safety	1,762,711	1,762,711	1,627,641	135,070
Judiciary and court related	605,466	605,466	559,071	46,395
Public health and welfare	<u>810,965</u>	<u>810,965</u>	<u>748,823</u>	<u>62,142</u>
Total Expenditures	<u>4,025,424</u>	<u>4,025,424</u>	<u>3,716,969</u>	<u>308,455</u>
Net Change in Fund Balance	\$ <u>(222,524)</u>	\$ <u>(222,524)</u>	76,986	\$ <u>299,510</u>
Fund Balance - Beginning of Year			<u>2,262,779</u>	
Fund Balance - End of Year			\$ <u>2,339,765</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CORONER'S FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 35,000	\$ 35,000	\$ 46,572	\$ 11,572
Grants, contributions, and intergovernmental	-	-	4,625	4,625
Investment income	<u>100</u>	<u>100</u>	<u>64</u>	<u>(36)</u>
Total Revenues	<u>35,100</u>	<u>35,100</u>	<u>51,261</u>	<u>16,161</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Contractual services	12,000	19,028	19,025	3
Commodities	<u>1,000</u>	<u>557</u>	<u>557</u>	<u>-</u>
Total Expenditures	<u>13,000</u>	<u>19,585</u>	<u>19,582</u>	<u>3</u>
Excess of revenues over expenditures	22,100	15,515	31,679	16,164
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>13,100</u>	\$ <u>6,515</u>	22,679	\$ <u>16,164</u>
Fund Balance - Beginning of Year			<u>16,772</u>	
Fund Balance - End of Year			\$ <u>39,451</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MATCHING FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 94,837	\$ 94,837
Property taxes	1,250,000	1,250,000	1,247,113	(2,887)
Investment income	<u>20,000</u>	<u>20,000</u>	<u>21,906</u>	<u>1,906</u>
Total Revenues	<u>1,270,000</u>	<u>1,270,000</u>	<u>1,363,856</u>	<u>93,856</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Contractual services	150,000	1,003,783	627,145	376,638
Capital outlay	<u>3,025,000</u>	<u>11,873,965</u>	<u>2,172,730</u>	<u>9,701,235</u>
Total Expenditures	<u>3,175,000</u>	<u>12,877,748</u>	<u>2,799,875</u>	<u>10,077,873</u>
Net Change in Fund Balance	\$ <u><u>(1,905,000)</u></u>	\$ <u><u>(11,607,748)</u></u>	(1,436,019)	\$ <u><u>10,171,729</u></u>
Fund Balance - Beginning of Year			<u>14,246,725</u>	
Fund Balance - End of Year			\$ <u><u>12,810,706</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY BRIDGE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 1,180,000	\$ 1,180,000	\$ 99,641	\$ (1,080,359)
Property taxes	1,250,000	1,250,000	1,247,113	(2,887)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>8,366</u>	<u>3,366</u>
Total Revenues	<u>2,435,000</u>	<u>2,435,000</u>	<u>1,355,120</u>	<u>(1,079,880)</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Contractual services	2,055,000	2,797,132	441,584	2,355,548
Capital outlay	<u>2,245,000</u>	<u>4,631,062</u>	<u>350,200</u>	<u>4,280,862</u>
Total Expenditures	<u>4,300,000</u>	<u>7,428,194</u>	<u>791,784</u>	<u>6,636,410</u>
Net Change in Fund Balance	\$ <u>(1,865,000)</u>	\$ <u>(4,993,194)</u>	563,336	\$ <u>5,556,530</u>
Fund Balance - Beginning of Year			<u>5,312,333</u>	
Fund Balance - End of Year			\$ <u>5,875,669</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY OPTION MOTOR FUEL TAX FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 4,950,000	\$ 4,950,000	\$ 4,206,152	\$ (743,848)
Investment income	20,000	20,000	19,754	(246)
Miscellaneous	<u>-</u>	<u>-</u>	<u>839</u>	<u>839</u>
Total Revenues	<u>4,970,000</u>	<u>4,970,000</u>	<u>4,226,745</u>	<u>(743,255)</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Contractual services	3,995,000	5,555,965	1,926,970	3,628,995
Commodities	751,000	769,503	182,062	587,441
Capital outlay	<u>7,740,000</u>	<u>9,922,454</u>	<u>815,720</u>	<u>9,106,734</u>
Total Expenditures	<u>12,486,000</u>	<u>16,247,922</u>	<u>2,924,752</u>	<u>13,323,170</u>
Net Change in Fund Balance	\$ <u><u>(7,516,000)</u></u>	\$ <u><u>(11,277,922)</u></u>	1,301,993	\$ <u><u>12,579,915</u></u>
Fund Balance - Beginning of Year			<u>13,170,040</u>	
Fund Balance - End of Year			\$ <u><u>14,472,033</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**TUBERCULOSIS CARE AND TREATMENT FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 10,500	\$ 10,500	\$ 11,118	\$ 618
Property taxes	250,000	250,000	249,391	(609)
Investment income	625	625	924	299
	<u>261,125</u>	<u>261,125</u>	<u>261,433</u>	<u>308</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	282,129	282,129	278,639	3,490
Contractual services	78,075	78,075	36,162	41,913
Commodities	31,050	31,050	14,553	16,497
	<u>391,254</u>	<u>391,254</u>	<u>329,354</u>	<u>61,900</u>
Total Expenditures	<u>391,254</u>	<u>391,254</u>	<u>329,354</u>	<u>61,900</u>
Net Change in Fund Balance	\$ <u>(130,129)</u>	\$ <u>(130,129)</u>	(67,921)	\$ <u>62,208</u>
Fund Balance - Beginning of Year			<u>671,244</u>	
Fund Balance - End of Year			\$ <u>603,323</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MAINTENANCE AND CHILD SUPPORT COLLECTION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 127,000	\$ 127,000	\$ 128,092	\$ 1,092
Investment income	<u>300</u>	<u>300</u>	<u>237</u>	<u>(63)</u>
Total Revenues	127,300	127,300	128,329	1,029
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	<u>186,990</u>	<u>186,990</u>	<u>186,984</u>	<u>6</u>
Net Change in Fund Balance	\$ <u>(59,690)</u>	\$ <u>(59,690)</u>	(58,655)	\$ <u>1,035</u>
Fund Balance - Beginning of Year			<u>185,199</u>	
Fund Balance - End of Year			\$ <u>126,544</u>	



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CLERK AUTOMATION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 13,000	\$ 13,000	\$ 11,956	\$ (1,044)
Investment income	<u>125</u>	<u>125</u>	<u>126</u>	<u>1</u>
Total Revenues	<u>13,125</u>	<u>13,125</u>	<u>12,082</u>	<u>(1,043)</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Contractual services	10,000	10,000	3,199	6,801
Commodities	2,500	2,500	1,349	1,151
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>599</u>	<u>14,401</u>
Total Expenditures	<u>27,500</u>	<u>27,500</u>	<u>5,147</u>	<u>22,353</u>
Net Change in Fund Balance	<u>\$ (14,375)</u>	<u>\$ (14,375)</u>	6,935	<u>\$ 21,310</u>
Fund Balance - Beginning of Year			<u>80,785</u>	
Fund Balance - End of Year			<u>\$ 87,720</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**RECORDER AUTOMATION FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 785,000	\$ 785,000	\$ 951,106	\$ 166,106
Investment income	<u>3,000</u>	<u>3,000</u>	<u>3,232</u>	<u>232</u>
Total Revenues	<u>788,000</u>	<u>788,000</u>	<u>954,338</u>	<u>166,338</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	324,377	445,014	344,443	100,571
Contractual services	243,000	243,000	170,587	72,413
Commodities	121,850	121,850	2,748	119,102
Capital outlay	410,000	410,000	-	410,000
Debt service				
Principal retirement	27,882	27,882	27,882	-
Interest and fiscal charges	<u>2,749</u>	<u>2,749</u>	<u>2,749</u>	<u>-</u>
Total Expenditures	<u>1,129,858</u>	<u>1,250,495</u>	<u>548,409</u>	<u>702,086</u>
Net Change in Fund Balance	<u>\$ (341,858)</u>	<u>\$ (462,495)</u>	405,929	<u>\$ 868,424</u>
Fund Balance - Beginning of Year			<u>1,660,379</u>	
Fund Balance - End of Year			<u>\$ 2,066,308</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ANIMAL SHELTER FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 2,500	\$ 2,500	\$ 1,180	\$ (1,320)
Investment income	<u>100</u>	<u>100</u>	<u>37</u>	<u>(63)</u>
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>1,217</u>	<u>(1,383)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Contractual services	5,000	5,000	-	5,000
Commodities	<u>2,600</u>	<u>2,600</u>	<u>-</u>	<u>2,600</u>
Total Expenditures	<u>7,600</u>	<u>7,600</u>	<u>-</u>	<u>7,600</u>
Net Change in Fund Balance	\$ <u><u>(5,000)</u></u>	\$ <u><u>(5,000)</u></u>	1,217	\$ <u><u>6,217</u></u>
Fund Balance - Beginning of Year			<u>23,696</u>	
Fund Balance - End of Year			\$ <u><u>24,913</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY TREASURER AUTOMATION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 100,100	\$ 100,100	\$ 141,431	\$ 41,331
Investment income	<u>900</u>	<u>900</u>	<u>539</u>	<u>(361)</u>
Total Revenues	<u>101,000</u>	<u>101,000</u>	<u>141,970</u>	<u>40,970</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	190,700	190,700	62,651	128,049
Contractual services	81,000	81,000	-	81,000
Commodities	16,000	16,000	4,348	11,652
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>287,701</u>	<u>287,701</u>	<u>66,999</u>	<u>220,702</u>
Net Change in Fund Balance	\$ <u>(186,701)</u>	\$ <u>(186,701)</u>	74,971	\$ <u>261,672</u>
Fund Balance - Beginning of Year			<u>345,329</u>	
Fund Balance - End of Year			\$ <u>420,300</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**WORKFORCE NETWORK FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 2,212,659	\$ 2,473,420	\$ 2,434,888	\$ (38,532)
Investment income	650	650	254	(396)
Miscellaneous	<u>129,750</u>	<u>129,750</u>	<u>124,411</u>	<u>(5,339)</u>
Total Revenues	<u>2,343,059</u>	<u>2,603,820</u>	<u>2,559,553</u>	<u>(44,267)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	1,317,495	1,419,360	1,406,965	12,395
Contractual services	929,114	1,062,935	1,033,611	29,324
Commodities	77,972	103,047	102,096	951
Capital outlay	500	500	-	500
Debt service				
Principal retirement	<u>17,978</u>	<u>17,978</u>	<u>3,125</u>	<u>14,853</u>
Total Expenditures	<u>2,343,059</u>	<u>2,603,820</u>	<u>2,545,797</u>	<u>58,023</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	13,756	\$ <u><u>13,756</u></u>
Fund Balance - Beginning of Year			<u>383,417</u>	
Fund Balance - End of Year			\$ <u><u>397,173</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**LAW LIBRARY FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 287,500	\$ 287,500	\$ 232,033	\$ (55,467)
Investment income	<u>550</u>	<u>550</u>	<u>610</u>	<u>60</u>
Total Revenues	<u>288,050</u>	<u>288,050</u>	<u>232,643</u>	<u>(55,407)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	158,182	158,182	149,069	9,113
Contractual services	400	400	398	2
Commodities	<u>132,000</u>	<u>188,145</u>	<u>188,143</u>	<u>2</u>
Total Expenditures	<u>290,582</u>	<u>346,727</u>	<u>337,610</u>	<u>9,117</u>
Net Change in Fund Balance	\$ <u>(2,532)</u>	\$ <u>(58,677)</u>	(104,967)	\$ <u>(46,290)</u>
Fund Balance - Beginning of Year			<u>430,917</u>	
Fund Balance - End of Year			\$ <u>325,950</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL COURTS FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 270,000	\$ 270,000	\$ 233,757	\$ (36,243)
Grants, contributions, and intergovernmental	<u>278,303</u>	<u>278,303</u>	<u>279,400</u>	<u>1,097</u>
Total Revenues	<u>548,303</u>	<u>548,303</u>	<u>513,157</u>	<u>(35,146)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	436,791	436,791	434,658	2,133
Contractual services	28,770	28,770	26,431	2,339
Commodities	<u>51,473</u>	<u>51,473</u>	<u>37,470</u>	<u>14,003</u>
Total Expenditures	<u>517,034</u>	<u>517,034</u>	<u>498,559</u>	<u>18,475</u>
Net Change in Fund Balance	<u>\$ 31,269</u>	<u>\$ 31,269</u>	14,598	<u>\$ (16,671)</u>
Fund Balance - Beginning of Year			<u>564,952</u>	
Fund Balance - End of Year			<u>\$ 579,550</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MENTAL HEALTH GRANT FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(35,000)</u>	<u>(31,792)</u>	<u>3,208</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (35,000)</u>	<u>(31,792)</u>	<u>\$ 3,208</u>
Fund Balance - Beginning of Year			<u>31,792</u>	
Fund Balance - End of Year			<u>\$ -</u>	



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL**  
**CIRCUIT COURT DOCUMENT STORAGE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 735,000	\$ 735,000	\$ 653,730	\$ (81,270)
Investment income	<u>200</u>	<u>200</u>	<u>251</u>	<u>51</u>
Total Revenues	<u>735,200</u>	<u>735,200</u>	<u>653,981</u>	<u>(81,219)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	169,692	169,692	169,686	6
Contractual services	<u>565,508</u>	<u>565,508</u>	<u>171,084</u>	<u>394,424</u>
Total Expenditures	<u>735,200</u>	<u>735,200</u>	<u>340,770</u>	<u>394,430</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	313,211	\$ <u>313,211</u>
Fund Deficit - Beginning of Year			<u>(479,823)</u>	
Fund Deficit - End of Year			\$ <u>(166,612)</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**PROBATION SERVICE FEE FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 340,000	\$ 340,000	\$ 314,530	\$ (25,470)
Investment income	<u>1,200</u>	<u>1,200</u>	<u>1,127</u>	<u>(73)</u>
Total Revenues	<u>341,200</u>	<u>341,200</u>	<u>315,657</u>	<u>(25,543)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	98,873	98,873	85,532	13,341
Contractual services	392,200	392,200	311,492	80,708
Commodities	53,000	53,000	23,936	29,064
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>569,073</u>	<u>569,073</u>	<u>420,960</u>	<u>148,113</u>
Deficiency of revenues over expenditures	(227,873)	(227,873)	(105,303)	122,570
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>(207,373)</u>	\$ <u>(207,373)</u>	(84,803)	\$ <u>122,570</u>
Fund Balance - Beginning of Year			<u>799,030</u>	
Fund Balance - End of Year			\$ <u>714,227</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HUD GRANTS FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ <u>3,346,869</u>	\$ <u>5,458,569</u>	\$ <u>2,520,304</u>	\$ <u>(2,938,265)</u>
<b>EXPENDITURES</b>				
Current				
Community development				
Personnel services	304,132	458,219	308,333	149,886
Contractual services	3,026,434	4,984,047	2,003,600	2,980,447
Commodities	<u>16,303</u>	<u>16,303</u>	<u>3,173</u>	<u>13,130</u>
Total Expenditures	<u>3,346,869</u>	<u>5,458,569</u>	<u>2,315,106</u>	<u>3,143,463</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	205,198	\$ <u><u>205,198</u></u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			\$ <u><u>205,198</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DENTAL CARE CLINIC FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 48,000	\$ 48,000	\$ 83,900	\$ 35,900
Grants, contributions, and intergovernmental	505,700	514,700	435,943	(78,757)
Investment income	<u>600</u>	<u>600</u>	<u>636</u>	<u>36</u>
Total Revenues	<u>554,300</u>	<u>563,300</u>	<u>520,479</u>	<u>(42,821)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	486,277	486,277	473,683	12,594
Contractual services	127,435	136,435	103,503	32,932
Commodities	<u>43,065</u>	<u>43,065</u>	<u>9,949</u>	<u>33,116</u>
Total Expenditures	<u>656,777</u>	<u>665,777</u>	<u>587,135</u>	<u>78,642</u>
Net Change in Fund Balance	<u>\$ (102,477)</u>	<u>\$ (102,477)</u>	(66,656)	<u>\$ 35,821</u>
Fund Balance - Beginning of Year			<u>440,490</u>	
Fund Balance - End of Year			<u>\$ 373,834</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL**  
**CIRCUIT COURT AUTOMATION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 756,000	\$ 756,000	\$ 672,432	\$ (83,568)
Investment income	<u>200</u>	<u>200</u>	<u>216</u>	<u>16</u>
Total Revenues	<u>756,200</u>	<u>756,200</u>	<u>672,648</u>	<u>(83,552)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	236,694	236,694	148,743	87,951
Contractual services	501,723	501,723	268,584	233,139
Commodities	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>763,417</u>	<u>763,417</u>	<u>417,327</u>	<u>346,090</u>
Net Change in Fund Balance	\$ <u>(7,217)</u>	\$ <u>(7,217)</u>	255,321	\$ <u>262,538</u>
Fund Deficit - Beginning of Year			<u>(124,614)</u>	
Fund Balance - End of Year			\$ <u>130,707</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ILLINOIS CRIMINAL JUSTICE AUTHORITY FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 83,394	\$ 83,394	\$ 83,394	\$ -
Investment income	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Total Revenues	83,394	83,394	83,415	21
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	<u>83,394</u>	<u>83,394</u>	<u>83,394</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	21	\$ <u>21</u>
Fund Balance - Beginning of Year			<u>1,141</u>	
Fund Balance - End of Year			\$ <u>1,162</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CIRCUIT COURT ADMIN FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 90,000	\$ 90,000	\$ 86,171	\$ (3,829)
Investment income	<u>200</u>	<u>200</u>	<u>241</u>	<u>41</u>
Total Revenues	<u>90,200</u>	<u>90,200</u>	<u>86,412</u>	<u>(3,788)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	23,326	23,326	20,223	3,103
Contractual services	32,000	32,000	21,053	10,947
Commodities	<u>35,000</u>	<u>35,000</u>	<u>31,083</u>	<u>3,917</u>
Total Expenditures	<u>90,326</u>	<u>90,326</u>	<u>72,359</u>	<u>17,967</u>
Net Change in Fund Balance	\$ <u>(126)</u>	\$ <u>(126)</u>	14,053	\$ <u>14,179</u>
Fund Balance - Beginning of Year			<u>156,626</u>	
Fund Balance - End of Year			\$ <u>170,679</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**EMDT FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 20,500	\$ 20,500	\$ 22,860	\$ 2,360
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,500	20,500	22,860	2,360
OTHER FINANCING USES				
Transfers out	<u>(20,500)</u>	<u>(20,500)</u>	<u>(20,500)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	2,360	\$ <u>2,360</u>
Fund Balance - Beginning of Year			<u>34,497</u>	
Fund Balance - End of Year			\$ <u>36,857</u>	



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**TREASURER'S PASSPORT SERVICES FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 54,900	\$ 54,900	\$ 82,938	\$ 28,038
Investment income	<u>110</u>	<u>110</u>	<u>334</u>	<u>224</u>
Total Revenues	<u>55,010</u>	<u>55,010</u>	<u>83,272</u>	<u>28,262</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	64,050	64,050	64,048	2
Contractual services	71,600	71,600	19,388	52,212
Commodities	<u>51,000</u>	<u>51,000</u>	<u>19,942</u>	<u>31,058</u>
Total Expenditures	<u>186,650</u>	<u>186,650</u>	<u>103,378</u>	<u>83,272</u>
Net Change in Fund Balance	\$ <u>(131,640)</u>	\$ <u>(131,640)</u>	(20,106)	\$ <u>111,534</u>
Fund Balance - Beginning of Year			<u>198,049</u>	
Fund Balance - End of Year			\$ <u>177,943</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STATE'S ATTORNEY AUTOMATION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 33,000	\$ 33,000	\$ 28,544	\$ (4,456)
Investment income	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
Total Revenues	33,000	33,000	28,576	(4,424)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>33,000</u>	\$ <u>33,000</u>	28,576	\$ <u>(4,424)</u>
Fund Balance - Beginning of Year			<u>7,318</u>	
Fund Balance - End of Year			\$ <u>35,894</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DUI CONVICTION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 27,125	\$ 7,125
EXPENDITURES				
Current				
Public safety				
Commodities	<u>20,000</u>	<u>20,000</u>	<u>17,554</u>	<u>2,446</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	9,571	\$ <u>9,571</u>
Fund Balance - Beginning of Year			<u>68,393</u>	
Fund Balance - End of Year			<u>\$ 77,964</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GEOGRAPHIC INFORMATION SYSTEMS FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 838,000	\$ 838,000	\$ 911,013	\$ 73,013
Investment income	<u>2,000</u>	<u>2,000</u>	<u>2,858</u>	<u>858</u>
Total Revenues	<u>840,000</u>	<u>840,000</u>	<u>913,871</u>	<u>73,871</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	488,626	488,626	483,730	4,896
Contractual services	325,250	329,626	288,919	40,707
Commodities	<u>38,750</u>	<u>38,750</u>	<u>16,098</u>	<u>22,652</u>
Total Expenditures	<u>852,626</u>	<u>857,002</u>	<u>788,747</u>	<u>68,255</u>
Net Change in Fund Balance	\$ <u><u>(12,626)</u></u>	\$ <u><u>(17,002)</u></u>	125,124	\$ <u><u>142,126</u></u>
Fund Balance - Beginning of Year			<u>1,759,098</u>	
Fund Balance - End of Year			\$ <u><u>1,884,222</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**REVOLVING LOAN FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 40,761	\$ 40,761	\$ 38,921	\$ (1,840)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>400</u>	<u>(600)</u>
Total Revenues	41,761	41,761	39,321	(2,440)
EXPENDITURES				
Current				
Community development				
Contractual services	<u>105,000</u>	<u>105,000</u>	<u>42</u>	<u>104,958</u>
Net Change in Fund Balance	\$ <u>(63,239)</u>	\$ <u>(63,239)</u>	39,279	\$ <u>102,518</u>
Fund Balance - Beginning of Year			<u>1,685,655</u>	
Fund Balance - End of Year			\$ <u>1,724,934</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HEALTH SCHOLARSHIP FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 10	\$ (90)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Net Change in Fund Balance	\$ <u>(3,000)</u>	\$ <u>(3,000)</u>	10	\$ <u>3,010</u>
Fund Balance - Beginning of Year			<u>6,293</u>	
Fund Balance - End of Year			\$ <u><u>6,303</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SENIOR SERVICES FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,775,000	\$ 1,775,000	\$ 1,770,890	\$ (4,110)
Investment income	<u>3,520</u>	<u>3,520</u>	<u>4,354</u>	<u>834</u>
Total Revenues	1,778,520	1,778,520	1,775,244	(3,276)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>1,775,000</u>	<u>1,775,000</u>	<u>1,715,201</u>	<u>59,799</u>
Net Change in Fund Balance	\$ <u>3,520</u>	\$ <u>3,520</u>	60,043	\$ <u>56,523</u>
Fund Balance - Beginning of Year			<u>2,787,133</u>	
Fund Balance - End of Year			\$ <u>2,847,176</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**RTA SALES TAX FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ 8,625,000	\$ 8,625,000	\$ 9,314,212	\$ 689,212
Investment income	<u>21,000</u>	<u>21,000</u>	<u>15,510</u>	<u>(5,490)</u>
Total Revenues	8,646,000	8,646,000	9,329,722	683,722
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	8,646,000	8,646,000	9,329,722	683,722
OTHER FINANCING USES				
Transfers out	<u>(18,572,628)</u>	<u>(18,572,628)</u>	<u>(13,133,879)</u>	<u>5,438,749</u>
Net Change in Fund Balance	<u>\$ (9,926,628)</u>	<u>\$ (9,926,628)</u>	(3,804,157)	<u>\$ 6,122,471</u>
Fund Balance - Beginning of Year			<u>15,152,610</u>	
Fund Balance - End of Year			<u>\$ 11,348,453</u>	



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**INSURANCE LOSS FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 3,000,000	\$ 3,000,000	\$ 2,993,009	\$ (6,991)
Investment income	100	100	39	(61)
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>15,902</u>	<u>(84,098)</u>
Total Revenues	<u>3,100,100</u>	<u>3,100,100</u>	<u>3,008,950</u>	<u>(91,150)</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	1,107,536	1,107,536	1,038,926	68,610
Contractual services	2,694,180	2,717,910	1,612,792	1,105,118
Commodities	<u>29,740</u>	<u>29,740</u>	<u>3,610</u>	<u>26,130</u>
Total Expenditures	<u>3,831,456</u>	<u>3,855,186</u>	<u>2,655,328</u>	<u>1,199,858</u>
Net Change in Fund Balance	\$ <u><u>(731,356)</u></u>	\$ <u><u>(755,086)</u></u>	353,622	\$ <u><u>1,108,708</u></u>
Fund Balance - Beginning of Year			<u>14,836,224</u>	
Fund Balance - End of Year			\$ <u><u>15,189,846</u></u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CIRCUIT CLERK ELECTRONIC CITATION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 51,000	\$ 51,000	\$ 44,073	\$ (6,927)
Investment income	<u>100</u>	<u>100</u>	<u>71</u>	<u>(29)</u>
Total Revenues	<u>51,100</u>	<u>51,100</u>	<u>44,144</u>	<u>(6,956)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Contractual services	45,000	45,000	42,564	2,436
Commodities	<u>6,100</u>	<u>6,100</u>	<u>-</u>	<u>6,100</u>
Total Expenditures	<u>51,100</u>	<u>51,100</u>	<u>42,564</u>	<u>8,536</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	1,580	\$ <u>1,580</u>
Fund Balance - Beginning of Year			<u>38,405</u>	
Fund Balance - End of Year			\$ <u>39,985</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MOTOR FUEL TAX FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 4,570,366	\$ 4,570,366	\$ 5,458,161	\$ 887,795
Investment income	<u>30,000</u>	<u>30,000</u>	<u>26,622</u>	<u>(3,378)</u>
Total Revenues	<u>4,600,366</u>	<u>4,600,366</u>	<u>5,484,783</u>	<u>884,417</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Personnel services	140,731	140,731	140,726	5
Contractual services	4,715,000	4,915,259	2,791,525	2,123,734
Commodities	170,000	570,000	550,698	19,302
Capital outlay	<u>5,055,000</u>	<u>10,978,870</u>	<u>2,895,689</u>	<u>8,083,181</u>
Total Expenditures	<u>10,080,731</u>	<u>16,604,860</u>	<u>6,378,638</u>	<u>10,226,222</u>
Net Change in Fund Balance	\$ <u>(5,480,365)</u>	\$ <u>(12,004,494)</u>	(893,855)	\$ <u>11,110,639</u>
Fund Balance - Beginning of Year			<u>15,723,651</u>	
Fund Balance - End of Year			\$ <u>14,829,796</u>	

## **NONMAJOR DEBT SERVICE FUNDS**

**Series 2006 A Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**Series 2007 A Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**Series 2007 B Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**Series 2008 Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**Series 2010 A Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**Series 2010 B Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**Series 2012 A&B Certificate Fund** – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
For the Year Ended November 30, 2013

	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund	Series 2008 Certificate Fund
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	505,000	490,000	5,060,000	420,000
Interest and fiscal charges	<u>231,137</u>	<u>98,578</u>	<u>1,134,878</u>	<u>125,528</u>
Total Expenditures	<u>736,137</u>	<u>588,578</u>	<u>6,194,878</u>	<u>545,528</u>
Deficiency of revenues over expenditures	(736,137)	(588,578)	(6,194,878)	(545,528)
OTHER FINANCING SOURCES				
Transfers in	<u>736,137</u>	<u>588,578</u>	<u>6,194,878</u>	<u>545,528</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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Series 2010 A Certificate Fund	Series 2010 B Certificate Fund	Series 2012 A&B Certificate Fund	Totals
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
1,025,000	255,000	1,220,000	8,975,000
<u>189,603</u>	<u>161,153</u>	<u>133,197</u>	<u>2,074,074</u>
<u>1,214,603</u>	<u>416,153</u>	<u>1,353,197</u>	<u>11,049,074</u>
(1,214,603)	(416,153)	(1,353,197)	(11,049,074)
<u>1,214,603</u>	<u>416,153</u>	<u>1,347,950</u>	<u>11,043,827</u>
-	-	(5,247)	(5,247)
<u>-</u>	<u>-</u>	<u>5,247</u>	<u>5,247</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2006 A CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	505,000	505,000	505,000	-
Interest and fiscal charges	<u>231,137</u>	<u>231,137</u>	<u>231,137</u>	<u>-</u>
Total Expenditures	<u>736,137</u>	<u>736,137</u>	<u>736,137</u>	<u>-</u>
Deficiency of revenues over expenditures	(736,137)	(736,137)	(736,137)	-
OTHER FINANCING SOURCES				
Transfers in	<u>736,137</u>	<u>736,137</u>	<u>736,137</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2007 A CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	<u>98,578</u>	<u>98,578</u>	<u>98,578</u>	<u>-</u>
Total Expenditures	<u>588,578</u>	<u>588,578</u>	<u>588,578</u>	<u>-</u>
Deficiency of revenues over expenditures	(588,578)	(588,578)	(588,578)	-
OTHER FINANCING SOURCES				
Transfers in	<u>588,578</u>	<u>588,578</u>	<u>588,578</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2007 B CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	5,060,000	5,060,000	5,060,000	-
Interest and fiscal charges	<u>1,134,878</u>	<u>1,134,878</u>	<u>1,134,878</u>	<u>-</u>
Total Expenditures	<u>6,194,878</u>	<u>6,194,878</u>	<u>6,194,878</u>	<u>-</u>
Deficiency of revenues over expenditures	(6,194,878)	(6,194,878)	(6,194,878)	-
OTHER FINANCING SOURCES				
Transfers in	<u>6,194,878</u>	<u>6,194,878</u>	<u>6,194,878</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2008 CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	420,000	420,000	420,000	-
Interest and fiscal charges	<u>125,528</u>	<u>125,528</u>	<u>125,528</u>	<u>-</u>
Total Expenditures	<u>545,528</u>	<u>545,528</u>	<u>545,528</u>	<u>-</u>
Deficiency of revenues over expenditures	(545,528)	(545,528)	(545,528)	-
OTHER FINANCING SOURCES				
Transfers in	<u>545,528</u>	<u>545,528</u>	<u>545,528</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2010 A CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	1,025,000	1,025,000	1,025,000	-
Interest and fiscal charges	<u>189,603</u>	<u>189,603</u>	<u>189,603</u>	<u>-</u>
Total Expenditures	<u>1,214,603</u>	<u>1,214,603</u>	<u>1,214,603</u>	<u>-</u>
Deficiency of revenues over expenditures	(1,214,603)	(1,214,603)	(1,214,603)	-
OTHER FINANCING SOURCES				
Transfers in	<u>1,214,603</u>	<u>1,214,603</u>	<u>1,214,603</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			\$ <u>-</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2010 B CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	255,000	255,000	255,000	-
Interest and fiscal charges	<u>161,153</u>	<u>161,153</u>	<u>161,153</u>	<u>-</u>
Total Expenditures	<u>416,153</u>	<u>416,153</u>	<u>416,153</u>	<u>-</u>
Deficiency of revenues over expenditures	(416,153)	(416,153)	(416,153)	-
OTHER FINANCING SOURCES				
Transfers in	<u>416,153</u>	<u>416,153</u>	<u>416,153</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2012 A&B CERTIFICATE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	1,220,000	1,220,000	1,220,000	-
Interest and fiscal charges	<u>133,845</u>	<u>133,845</u>	<u>133,197</u>	<u>648</u>
Total Expenditures	<u>1,353,845</u>	<u>1,353,845</u>	<u>1,353,197</u>	<u>648</u>
Deficiency of revenues over expenditures	(1,353,845)	(1,353,845)	(1,353,197)	648
OTHER FINANCING SOURCES				
Transfers in	<u>1,353,845</u>	<u>1,353,845</u>	<u>1,347,950</u>	<u>(5,895)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(5,247)	<u>\$ (5,247)</u>
Fund Balance - Beginning of Year			<u>5,247</u>	
Fund Balance - End of Year			<u>\$ -</u>	

## **NONMAJOR CAPITAL PROJECT FUNDS**

**Series 2010A Capital Projects Fund** - to account for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002 A debt certificates. Resources for the fund were provided by proceeds from Series 2010A debt certificates.

**Mental Health Facility Expansion Fund** - to account for the expansion of the County mental health facility. Resources for the fund were provided by proceeds from Series 2010B debt certificates.

**County of McHenry, Illinois**  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
November 30, 2013

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	Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
ASSETS			
Cash and equivalents	\$ <u>55,644</u>	\$ <u>5,262</u>	\$ <u>60,906</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 896	\$ 896
Fund Balances			
Restricted	<u>55,644</u>	<u>4,366</u>	<u>60,010</u>
Total Liabilities and Fund Balances	\$ <u>55,644</u>	\$ <u>5,262</u>	\$ <u>60,906</u>

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
For the Year Ended November 30, 2013

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	Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
REVENUES			
Investment income	\$ 84	\$ 13	\$ 97
EXPENDITURES			
Capital outlay	-	4,491	4,491
Net Change in Fund Balances	84	(4,478)	(4,394)
Fund Balances - Beginning of Year	55,560	8,844	64,404
Fund Balances - End of Year	\$ 55,644	\$ 4,366	\$ 60,010



**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2010A CAPITAL PROJECTS FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 304	\$ 304	\$ 84	\$ (220)
EXPENDITURES				
Capital outlay	<u>-</u>	<u>55,941</u>	<u>-</u>	<u>55,941</u>
Net Change in Fund Balance	\$ <u>304</u>	\$ <u>(55,637)</u>	84	\$ <u>55,721</u>
Fund Balance - Beginning of Year			<u>55,560</u>	
Fund Balance - End of Year			\$ <u>55,644</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MENTAL HEALTH FACILITY EXPANSION FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 13	\$ 13
EXPENDITURES				
Capital outlay	<u>-</u>	<u>9,000</u>	<u>4,491</u>	<u>4,509</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(9,000)</u>	(4,478)	\$ <u>4,522</u>
Fund Balance - Beginning of Year			<u>8,844</u>	
Fund Balance - End of Year			\$ <u>4,366</u>	

## **NONMAJOR PERMANENT FUNDS**

**Working Cash I and II Funds** – to account for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the fund may not be expended.

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR PERMANENT FUNDS**  
November 30, 2013

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	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
ASSETS			
Cash and equivalents	\$ <u>331,677</u>	\$ <u>469,850</u>	\$ <u>801,527</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 376	\$ 490	\$ 866
Fund Balances			
Nonspendable	<u>331,301</u>	<u>469,360</u>	<u>800,661</u>
Total Liabilities and Fund Balances	\$ <u>331,677</u>	\$ <u>469,850</u>	\$ <u>801,527</u>

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR PERMANENT FUNDS**  
For the Year Ended November 30, 2013

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 376	\$ 490	\$ 866
EXPENDITURES	-	-	-
Excess of revenues over expenditures	376	490	866
OTHER FINANCING USES			
Transfers out	(376)	(490)	(866)
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning of Year	331,301	469,360	800,661
Fund Balances - End of Year	\$ 331,301	\$ 469,360	\$ 800,661

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**WORKING CASH NO. 1 FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 648	\$ 648	\$ 376	\$ (272)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	648	648	376	(272)
OTHER FINANCING USES				
Transfers out	<u>(648)</u>	<u>(648)</u>	<u>(376)</u>	<u>272</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>331,301</u>	
Fund Balance - End of Year			\$ <u>331,301</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**WORKING CASH NO. 2 FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 706	\$ 706	\$ 490	\$ (216)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	706	706	490	(216)
OTHER FINANCING USES				
Transfers out	<u>(706)</u>	<u>(706)</u>	<u>(490)</u>	<u>216</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>469,360</u>	
Fund Balance - End of Year			\$ <u>469,360</u>	

## **ENTERPRISE FUNDS**

Major Fund:

**Valley Hi Fund** – to account for the activities of the Valley Hi nursing home.

Nonmajor Fund:

**911 Fund (Emergency Telephone Services Board Fund)** – to account for funds raised through a telephone surcharge tax on each telephone line in the County. The money collected is distributed to this fund net of a small collection charge retained by the telephone company. The funds are used to operate and equip a 911 telephone dispatch center within the County area.



**County of McHenry, Illinois**  
**SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**VALLEY HI FUND**  
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>OPERATING REVENUES</b>				
Charges for services	\$ 9,575,000	\$ 9,575,000	\$ 10,185,115	\$ 610,115
Other	<u>7,100</u>	<u>7,100</u>	<u>11,119</u>	<u>4,019</u>
Total Operating Revenues	<u>\$ 9,582,100</u>	<u>\$ 9,582,100</u>	<u>\$ 10,196,234</u>	<u>\$ 614,134</u>
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 7,204,827	\$ 7,204,827	\$ 7,163,264	\$ 41,563
Contractual services	1,934,111	2,036,420	1,849,030	187,390
Commodities	<u>1,083,035</u>	<u>1,116,119</u>	<u>991,855</u>	<u>124,264</u>
Total operating expenses before capital outlay	<u>10,221,973</u>	<u>10,357,366</u>	<u>10,004,149</u>	<u>353,217</u>
Capital outlay	10,000	10,000	8,626	1,374
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted capital outlay	<u>10,000</u>	<u>10,000</u>	<u>8,626</u>	<u>1,374</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 10,231,973</u>	<u>\$ 10,367,366</u>	<u>\$ 10,012,775</u>	<u>\$ 354,591</u>
<b>NONOPERATING REVENUES</b>				
Property taxes	\$ 5,250,000	\$ 5,250,000	\$ 5,237,688	\$ (12,312)
Investment income	<u>100,100</u>	<u>100,100</u>	<u>64,389</u>	<u>(35,711)</u>
Total Nonoperating Revenues	<u>\$ 5,350,100</u>	<u>\$ 5,350,100</u>	<u>\$ 5,302,077</u>	<u>\$ (48,023)</u>
<b>NONOPERATING EXPENSES</b>				
Interest expense	\$ 15,174	\$ 15,174	\$ 1,127	\$ 14,047
Loss on disposal of capital assets	<u>-</u>	<u>-</u>	<u>8,757</u>	<u>(8,757)</u>
Total Nonoperating Expenses	<u>\$ 15,174</u>	<u>\$ 15,174</u>	<u>\$ 9,884</u>	<u>\$ 5,290</u>

**County of McHenry, Illinois**  
**SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**911 FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,744,000	\$ 1,744,000	\$ 2,542,268	\$ 798,268
Other	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
Total Operating Revenues	<u>\$ 1,744,000</u>	<u>\$ 1,744,000</u>	<u>\$ 2,542,348</u>	<u>\$ 798,348</u>
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 368,265	\$ 368,265	\$ 360,985	\$ 7,280
Contractual services	1,733,415	1,819,032	1,661,577	157,455
Commodities	<u>409,700</u>	<u>471,314</u>	<u>44,875</u>	<u>426,439</u>
Total operating expenses before capital outlay	<u>2,511,380</u>	<u>2,658,611</u>	<u>2,067,437</u>	<u>591,174</u>
Capital outlay	80,000	182,340	-	182,340
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted capital outlay	<u>80,000</u>	<u>182,340</u>	<u>-</u>	<u>182,340</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 2,591,380</u>	<u>\$ 2,840,951</u>	<u>\$ 2,067,437</u>	<u>\$ 773,514</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 6,241</u>	<u>\$ 241</u>

## **INTERNAL SERVICE FUND**

**Health Insurance Fund** – to account for employee medical, dental, and prescription insurance premiums and claims.

**County of McHenry, Illinois**  
**STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUND**  
November 30, 2013

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	<u>Health Insurance</u>
ASSETS	
Current	
Cash and equivalents	\$ 3,610,623
Due from other funds	<u>3,053,566</u>
Total Assets	<u>6,664,189</u>
LIABILITIES	
Current	
Accounts payable	1,940
Accrued payroll	1,956
Claims and judgments	<u>2,575,101</u>
Total Liabilities	<u>2,578,997</u>
NET POSITION - UNRESTRICTED	<u>\$ 4,085,192</u>

**County of McHenry, Illinois**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUND**  
For the Year Ended November 30, 2013

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	Health Insurance
OPERATING REVENUES	
Charges for services	\$ <u>18,111,927</u>
OPERATING EXPENSES	
Personnel services	62,870
Contractual services	17,549,343
Commodities	<u>3,064</u>
Total Operating Expenses	<u>17,615,277</u>
Operating income	496,650
NONOPERATING REVENUES	
Investment income	<u>7,249</u>
Net Change in Net Position	503,899
Net Position - Beginning of Year	<u>3,581,293</u>
Net Position - End of Year	\$ <u><u>4,085,192</u></u>

**County of McHenry, Illinois**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUND**  
For the Year Ended November 30, 2013

	Health Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and users	\$ 16,234,082
Payments to employees	(60,914)
Payments to third party administrator	(17,221,869)
Payments to suppliers	<u>(52,624)</u>
Net Cash Flows from Operating Activities	<u>(1,101,325)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash receipts from investment income	<u>7,249</u>
Net Change in Cash and Equivalents	(1,094,076)
Cash and Equivalents - Beginning of Year	<u>4,704,699</u>
Cash and Equivalents - End of Year	<u>\$ 3,610,623</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 496,650
Adjustments to reconcile operating income to net cash flows from operating activities	
Change in assets and liabilities	
Due from other funds	(1,877,845)
Accounts payable	962
Accrued payroll	1,956
Claims and judgments	<u>276,952</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (1,101,325)</u>

**County of McHenry, Illinois**  
**SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND**  
**EXPENSES - BUDGET AND ACTUAL**  
**HEALTH INSURANCE FUND**  
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ <u>19,193,133</u>	\$ <u>19,193,133</u>	\$ <u>18,111,927</u>	\$ <u>(1,081,206)</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	\$ 66,591	\$ 66,591	\$ 62,870	\$ 3,721
Contractual services	19,258,975	19,258,975	17,549,343	1,709,632
Commodities	<u>6,625</u>	<u>6,625</u>	<u>3,064</u>	<u>3,561</u>
Total Operating Expenses	\$ <u>19,332,191</u>	\$ <u>19,332,191</u>	\$ <u>17,615,277</u>	\$ <u>1,716,914</u>
<b>NONOPERATING REVENUES</b>				
Investment income	\$ <u>4,200</u>	\$ <u>4,200</u>	\$ <u>7,249</u>	\$ <u>3,049</u>

## **AGENCY FUNDS**

**Treasurer Fund** – to account for the funds held by the Treasurer as an agent responsible for drainage districts, the inheritance tax account, protested taxes, tax sales escrow, and interest earned on real estate taxes.

**Clerk of the Circuit Court Fund** – to account for the funds held by the Clerk of the Circuit Court as an agent for the courts.

**Highway Fund** – to account for township motor fuel tax funds held by the Division of Transportation.

**Valley Hi Resident Fund** – to account for the funds held by Valley Hi Nursing Home as an agent for residents and donations made for the benefit of the residents.

**County Clerk Redemption Fund** – to account for the funds held by the County Clerk as an agent for delinquent tax payers.

**Collector Fund** – to account for the funds held by the County as an agent responsible for collecting property taxes.

**Illinois Housing Surcharge Fund** - to account for the rental housing support program surcharge that is collected for the recording of real estate documents and remitted to the State.



**County of McHenry, Illinois**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
November 30, 2013

	Treasurer Fund	Clerk of the Circuit Court Fund	Highway Fund	Valley Hi Resident Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 1,702,447	\$ 3,629,167	\$ 1,172,497	\$ 50,463
Due from other governments	<u>-</u>	<u>-</u>	<u>75,168</u>	<u>-</u>
Total Assets	<u><u>\$ 1,702,447</u></u>	<u><u>\$ 3,629,167</u></u>	<u><u>\$ 1,247,665</u></u>	<u><u>\$ 50,463</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 155,625	\$ -
Due to residents	-	-	-	50,463
Bond escrow	-	2,546,935	-	-
Due to other governments	1,702,447	636,943	1,092,040	-
Other liabilities	<u>-</u>	<u>445,289</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>\$ 1,702,447</u></u>	<u><u>\$ 3,629,167</u></u>	<u><u>\$ 1,247,665</u></u>	<u><u>\$ 50,463</u></u>

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County Clerk Redemption Fund	Collector Fund	Illinois Housing Surcharge Fund	Totals
\$ 870,338	\$ 7,567,558	\$ 105,957	\$ 15,098,427
-	-	-	75,168
<u>\$ 870,338</u>	<u>\$ 7,567,558</u>	<u>\$ 105,957</u>	<u>\$ 15,173,595</u>
\$ -	\$ -	\$ -	\$ 155,625
-	-	-	50,463
-	-	-	2,546,935
-	7,567,558	105,957	11,104,945
<u>870,338</u>	<u>-</u>	<u>-</u>	<u>1,315,627</u>
<u>\$ 870,338</u>	<u>\$ 7,567,558</u>	<u>\$ 105,957</u>	<u>\$ 15,173,595</u>

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended November 30, 2013**

	Balance December 1, 2012	Additions	Deductions	Balance November 30, 2013
<b>Treasurer Fund</b>				
ASSETS				
Cash and equivalents	\$ 1,645,648	\$ 7,436,088	\$ 7,379,289	\$ 1,702,447
LIABILITIES				
Due to other governments	\$ 1,645,648	\$ 7,436,088	\$ 7,379,289	\$ 1,702,447
<b>Clerk of the Circuit Court Fund</b>				
ASSETS				
Cash and equivalents	\$ 3,961,553	\$ 26,368,310	\$ 26,700,696	\$ 3,629,167
LIABILITIES				
Bond escrow	\$ 2,969,111	\$ 5,374,622	\$ 5,796,798	\$ 2,546,935
Due to other governments	578,830	15,601,719	15,543,606	636,943
Other liabilities	413,612	5,391,969	5,360,292	445,289
Total Liabilities	\$ 3,961,553	\$ 26,368,310	\$ 26,700,696	\$ 3,629,167
<b>Highway Fund</b>				
ASSETS				
Cash and equivalents	\$ 1,232,385	\$ 1,226,256	\$ 1,286,144	\$ 1,172,497
Due from other governments	86,135	-	10,967	75,168
Total Assets	\$ 1,318,520	\$ 1,226,256	\$ 1,297,111	\$ 1,247,665
LIABILITIES				
Accounts payable	\$ 129,645	\$ 1,299,869	\$ 1,273,889	\$ 155,625
Due to other governments	1,188,875	1,215,288	1,312,123	1,092,040
Total Liabilities	\$ 1,318,520	\$ 2,515,157	\$ 2,586,012	\$ 1,247,665
<b>Valley Hi Resident Fund</b>				
ASSETS				
Cash and equivalents	\$ 54,238	\$ 22,870	\$ 26,645	\$ 50,463
LIABILITIES				
Due to residents	\$ 54,238	\$ 22,870	\$ 26,645	\$ 50,463

(Continued)

**County of McHenry, Illinois**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended November 30, 2013**

	Balance December 1, 2012	Additions	Deductions	Balance November 30, 2013
<b>County Clerk Redemption Fund</b>				
ASSETS				
Cash and equivalents	\$ 659,000	\$ 16,304,632	\$ 16,093,294	\$ 870,338
LIABILITIES				
Other liabilities	\$ 659,000	\$ 16,304,632	\$ 16,093,294	\$ 870,338
<b>Collector Fund</b>				
ASSETS				
Cash and equivalents	\$ 7,341,805	\$ 802,417,842	\$ 802,192,089	\$ 7,567,558
LIABILITIES				
Due to other governments	\$ 7,341,805	\$ 802,417,842	\$ 802,192,089	\$ 7,567,558
<b>Illinois Housing Surcharge Fund</b>				
ASSETS				
Cash and equivalents	\$ 44,667	\$ 504,450	\$ 443,160	\$ 105,957
LIABILITIES				
Due to other governments	\$ 44,667	\$ 504,450	\$ 443,160	\$ 105,957
<b>Totals</b>				
ASSETS				
Cash and equivalents	\$ 14,939,296	\$ 854,280,448	\$ 854,121,317	\$ 15,098,427
Due from other governments	86,135	-	10,967	75,168
Total Assets	\$ 15,025,431	\$ 854,280,448	\$ 854,132,284	\$ 15,173,595
LIABILITIES				
Accounts payable	\$ 129,645	\$ 1,299,869	\$ 1,273,889	\$ 155,625
Due to residents	54,238	22,870	26,645	50,463
Bond escrow	2,969,111	5,374,622	5,796,798	2,546,935
Due to other governments	10,799,825	827,175,387	826,870,267	11,104,945
Other liabilities	1,072,612	21,696,601	21,453,586	1,315,627
Total Liabilities	\$ 15,025,431	\$ 855,569,349	\$ 855,421,185	\$ 15,173,595

(Concluded)

**STATISTICAL**

**County of McHenry, Illinois**  
**INTRODUCTION TO THE STATISTICAL SECTION**  
November 30, 2013

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STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	155 - 162
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate the County's most significant own-source revenue, property taxes.	163 - 167
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	168 - 172
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	173 - 174
Operating Information	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	175 - 177

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**County of McHenry, Illinois**  
**NET POSITION - BY COMPONENT**  
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities				
Net investment in capital assets	\$ 134,784,412	\$ 145,163,278	\$ 154,597,466	\$ 168,077,235
Restricted	51,379,812	61,238,252	72,186,833	83,884,874
Unrestricted	<u>31,772,567</u>	<u>39,567,120</u>	<u>44,583,626</u>	<u>50,060,006</u>
Total Governmental Activities	<u>\$ 217,936,791</u>	<u>\$ 245,968,650</u>	<u>\$ 271,367,925</u>	<u>\$ 302,022,115</u>
Business-Type Activities				
Net investment in capital assets	\$ 2,833,585	\$ 2,960,686	\$ 5,061,542	\$ 4,531,583
Restricted	-	-	-	411,176
Unrestricted	<u>6,842,523</u>	<u>10,931,627</u>	<u>13,770,255</u>	<u>16,996,918</u>
Total Business-Type Activities	<u>\$ 9,676,108</u>	<u>\$ 13,892,313</u>	<u>\$ 18,831,797</u>	<u>\$ 21,939,677</u>
Primary Government				
Net investment in capital assets	\$ 137,617,997	\$ 148,123,964	\$ 159,659,008	\$ 172,608,818
Restricted	51,379,812	61,238,252	72,186,833	84,296,050
Unrestricted	<u>38,615,090</u>	<u>50,498,747</u>	<u>58,353,881</u>	<u>67,056,924</u>
Total Primary Government	<u>\$ 227,612,899</u>	<u>\$ 259,860,963</u>	<u>\$ 290,199,722</u>	<u>\$ 323,961,792</u>

2008	2009	2010	2011	2012	2013
\$ 186,108,100	\$ 193,667,253	\$ 209,424,352	\$ 223,693,448	\$ 238,349,986	\$ 254,679,031
94,814,206	110,628,189	107,121,300	116,754,427	111,049,850	109,592,257
<u>43,594,428</u>	<u>44,841,564</u>	<u>48,003,693</u>	<u>39,868,128</u>	<u>39,069,307</u>	<u>34,014,313</u>
<u>\$ 324,516,734</u>	<u>\$ 349,137,006</u>	<u>\$ 364,549,345</u>	<u>\$ 380,316,003</u>	<u>\$ 388,469,143</u>	<u>\$ 398,285,601</u>
\$ 4,568,317	\$ 7,291,886	\$ 7,709,277	\$ 7,685,488	\$ 15,518,830	\$ 14,473,854
41,191	492,746	693,237	707,422	-	-
<u>22,272,580</u>	<u>23,773,241</u>	<u>27,700,590</u>	<u>33,962,683</u>	<u>32,871,174</u>	<u>38,846,898</u>
<u>\$ 26,882,088</u>	<u>\$ 31,557,873</u>	<u>\$ 36,103,104</u>	<u>\$ 42,355,593</u>	<u>\$ 48,390,004</u>	<u>\$ 53,320,752</u>
\$ 190,676,417	\$ 200,959,139	\$ 217,133,629	\$ 231,378,936	\$ 253,868,816	\$ 269,152,885
94,855,397	111,120,935	107,814,537	117,461,849	111,049,850	109,592,257
<u>65,867,008</u>	<u>68,614,805</u>	<u>75,704,283</u>	<u>73,830,811</u>	<u>71,940,481</u>	<u>72,861,211</u>
<u>\$ 351,398,822</u>	<u>\$ 380,694,879</u>	<u>\$ 400,652,449</u>	<u>\$ 422,671,596</u>	<u>\$ 436,859,147</u>	<u>\$ 451,606,353</u>



**County of McHenry, Illinois**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>EXPENSES</b>										
Governmental Activities										
General and administrative	\$ 27,646,469	\$ 28,374,915	\$ 33,304,143	\$ 28,649,900	\$ 36,269,025	\$ 32,184,476	\$ 34,857,021	\$ 31,708,738	\$ 35,519,392	\$ 36,716,979
Community development	3,179,212	3,554,274	2,678,785	3,449,524	2,169,597	3,027,001	7,364,952	4,770,885	4,286,876	4,031,197
Transportation	10,959,478	10,246,229	10,997,498	12,260,312	13,292,664	18,281,173	17,782,366	18,281,227	19,818,851	19,462,103
Public safety	22,165,042	24,600,341	28,854,125	30,956,789	33,132,115	38,590,241	38,047,322	38,737,004	38,884,186	40,757,655
Judiciary and court related	9,959,549	10,056,275	10,916,010	12,829,189	13,518,255	13,604,193	13,778,713	13,943,432	13,996,893	14,081,733
Public health and welfare	19,546,619	21,190,249	23,454,095	24,368,771	27,184,973	28,574,453	28,710,653	27,557,830	28,423,928	24,957,498
Interest and fiscal charges	1,051,569	1,125,887	1,257,230	2,149,414	3,312,029	3,182,260	3,102,232	2,726,775	2,336,518	1,901,744
Total Governmental Activities	94,507,938	99,148,170	111,461,886	114,663,899	128,878,658	137,443,797	143,643,259	137,725,891	143,266,644	141,908,909
Business-Type Activities										
Public health and welfare	6,983,097	7,374,613	7,515,927	9,737,659	9,541,020	10,042,346	10,085,088	9,527,978	10,380,394	10,449,731
Public safety	1,423,930	1,443,884	1,652,536	1,979,992	2,011,399	2,315,535	2,331,714	2,765,086	2,580,677	2,666,421
Total Business-Type Activities	8,407,027	8,818,497	9,168,463	11,717,651	11,552,419	12,357,881	12,416,802	12,293,064	12,961,071	13,116,152
Total Primary Government	\$ <u>102,914,965</u>	\$ <u>107,966,667</u>	\$ <u>120,630,349</u>	\$ <u>126,381,550</u>	\$ <u>140,431,077</u>	\$ <u>149,801,678</u>	\$ <u>156,060,061</u>	\$ <u>150,018,955</u>	\$ <u>156,227,715</u>	\$ <u>155,025,061</u>
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for services										
General and administrative	\$ 5,987,596	\$ 5,969,389	\$ 6,283,160	\$ 5,778,519	\$ 5,135,160	\$ 6,265,612	\$ 6,779,291	\$ 5,550,919	\$ 6,005,617	\$ 5,896,726
Community development	1,424,704	1,445,958	1,518,472	1,075,295	804,410	526,487	541,192	474,634	428,441	458,793
Transportation	185,824	124,566	114,214	135,169	96,965	86,869	69,027	63,040	95,369	88,320
Public safety	4,792,507	4,029,496	9,641,669	10,488,124	12,064,091	12,637,154	12,120,177	13,465,305	11,381,987	9,757,347
Judiciary and court related	7,237,267	8,335,964	8,339,350	9,595,094	9,745,480	9,716,466	9,488,739	9,122,454	8,839,484	8,078,390
Public health and welfare	1,796,044	1,737,788	1,818,859	1,964,354	2,038,370	1,961,645	2,029,130	2,016,524	1,884,605	1,806,964
Operating grants and contributions	16,274,639	22,196,108	18,505,216	23,600,690	22,656,506	31,454,008	32,636,359	25,326,118	22,450,688	21,636,743
Capital grants and contributions	3,172,853	1,050,053	2,223,295	3,800,048	5,141,148	5,778,791	1,206,453	-	255,707	1,588,971
Total Governmental Activities	40,871,434	44,889,322	48,444,235	56,437,293	57,682,130	68,427,032	64,870,368	56,018,994	51,341,898	49,312,254
Business-Type Activities										
Charges for services										
Public health and welfare	\$ 5,429,848	\$ 5,513,459	\$ 5,475,126	\$ 6,702,116	\$ 6,790,327	\$ 8,196,650	\$ 8,429,840	\$ 9,980,585	\$ 10,235,827	\$ 10,196,234
Public safety	1,932,388	1,966,275	2,032,278	2,209,926	3,223,595	2,660,384	2,491,834	2,556,939	2,736,436	2,542,348
Total Business-Type Activities	7,362,236	7,479,734	7,507,404	8,912,042	10,013,922	10,857,034	10,921,674	12,537,524	12,972,263	12,738,582
Total Primary Government	\$ <u>48,233,670</u>	\$ <u>52,369,056</u>	\$ <u>55,951,639</u>	\$ <u>65,349,335</u>	\$ <u>67,696,052</u>	\$ <u>79,284,066</u>	\$ <u>75,792,042</u>	\$ <u>68,556,518</u>	\$ <u>64,314,161</u>	\$ <u>62,050,836</u>

**County of McHenry, Illinois**  
**CHANGES IN NET POSITION (Continued)**  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>NET (EXPENSE)/REVENUE</b>										
Governmental Activities	\$ (53,636,504)	\$ (54,258,848)	\$ (63,017,651)	\$ (58,226,606)	\$ (71,196,528)	\$ (69,016,765)	\$ (78,772,891)	\$ (81,706,897)	\$ (91,924,746)	\$ (92,596,655)
Business-Type Activities	<u>(1,044,791)</u>	<u>(1,338,763)</u>	<u>(1,661,059)</u>	<u>(2,805,609)</u>	<u>(1,538,497)</u>	<u>(1,500,847)</u>	<u>(1,495,128)</u>	<u>244,460</u>	<u>11,192</u>	<u>(377,570)</u>
Total Primary Government	<u>\$ (54,681,295)</u>	<u>\$ (55,597,611)</u>	<u>\$ (64,678,710)</u>	<u>\$ (61,032,215)</u>	<u>\$ (72,735,025)</u>	<u>\$ (70,517,612)</u>	<u>\$ (80,268,019)</u>	<u>\$ (81,462,437)</u>	<u>\$ (91,913,554)</u>	<u>\$ (92,974,225)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>										
Governmental Activities										
Property taxes	\$ 46,269,635	\$ 51,157,800	\$ 56,249,505	\$ 60,175,903	\$ 63,395,685	\$ 67,859,666	\$ 68,390,469	\$ 70,755,868	\$ 72,206,475	\$ 73,113,284
Sales taxes	8,581,519	8,956,331	9,580,333	9,533,202	15,003,386	15,983,268	16,704,187	17,481,700	18,036,621	18,718,620
State income taxes	4,317,250	5,057,081	5,465,713	5,875,908	6,214,390	5,603,268	4,880,880	5,139,609	5,749,691	6,234,765
Tax transfer stamps	4,399,145	5,025,204	4,631,095	3,264,738	1,968,253	1,232,451	1,203,780	1,123,002	1,258,599	1,896,811
Other taxes	6,717,627	6,582,582	6,575,678	1,804,030	2,173,857	1,763,703	1,744,807	1,955,665	2,006,647	2,005,449
Investment income	1,102,691	2,669,378	5,006,956	6,713,449	4,577,645	584,228	423,535	342,007	309,709	275,817
Miscellaneous	695,973	491,906	792,329	610,444	357,931	565,895	837,572	675,704	469,454	404,762
Gain on sale of capital assets	29,538	-	115,317	71,889	-	44,558	-	-	40,690	26,164
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>831,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>72,113,378</u>	<u>79,940,282</u>	<u>88,416,926</u>	<u>88,880,796</u>	<u>93,691,147</u>	<u>93,637,037</u>	<u>94,185,230</u>	<u>97,473,555</u>	<u>100,077,886</u>	<u>102,675,672</u>
Business-Type Activities										
Property taxes	3,998,695	5,320,288	5,996,097	5,998,876	5,932,935	5,994,282	5,919,050	5,912,097	5,950,311	5,237,688
Investment income	86,709	234,680	479,999	745,846	547,973	182,350	121,309	95,932	72,908	70,630
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(831,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>4,085,404</u>	<u>5,554,968</u>	<u>6,476,096</u>	<u>5,913,489</u>	<u>6,480,908</u>	<u>6,176,632</u>	<u>6,040,359</u>	<u>6,008,029</u>	<u>6,023,219</u>	<u>5,308,318</u>
Total Primary Government	<u>\$ 76,198,782</u>	<u>\$ 85,495,250</u>	<u>\$ 94,893,022</u>	<u>\$ 94,794,285</u>	<u>\$ 100,172,055</u>	<u>\$ 99,813,669</u>	<u>\$ 100,225,589</u>	<u>\$ 103,481,584</u>	<u>\$ 106,101,105</u>	<u>\$ 107,983,990</u>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ 18,476,874	\$ 25,681,434	\$ 25,399,275	\$ 30,654,190	\$ 22,494,619	\$ 24,620,272	\$ 15,412,339	\$ 15,766,658	\$ 8,153,140	\$ 10,079,017
Business-Type Activities	<u>3,040,613</u>	<u>4,216,205</u>	<u>4,815,037</u>	<u>3,107,880</u>	<u>4,942,411</u>	<u>4,675,785</u>	<u>4,545,231</u>	<u>6,252,489</u>	<u>6,034,411</u>	<u>4,930,748</u>
Total Primary Government	<u>\$ 21,517,487</u>	<u>\$ 29,897,639</u>	<u>\$ 30,214,312</u>	<u>\$ 33,762,070</u>	<u>\$ 27,437,030</u>	<u>\$ 29,296,057</u>	<u>\$ 19,957,570</u>	<u>\$ 22,019,147</u>	<u>\$ 14,187,551</u>	<u>\$ 15,009,765</u>

**County of McHenry, Illinois**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved	\$ 903,109	\$ 981,546	\$ 1,841,063	\$ 3,367,690	\$ 4,896,687
Unreserved	31,409,259	35,354,484	39,680,368	42,525,921	38,848,139
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 32,312,368</u>	<u>\$ 36,336,030</u>	<u>\$ 41,521,431</u>	<u>\$ 45,893,611</u>	<u>\$ 43,744,826</u>
All Other Governmental Funds					
Reserved	\$ 11,692,162	\$ 10,994,326	\$ 15,815,383	\$ 17,104,118	\$ 21,158,012
Unreserved					
Special revenue funds	39,168,190	50,058,502	54,420,402	64,119,701	66,212,656
Capital projects funds	7,335,205	3,935,868	3,605,068	32,098,411	13,341,272
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 58,195,557</u>	<u>\$ 64,988,696</u>	<u>\$ 73,840,853</u>	<u>\$ 113,322,230</u>	<u>\$ 100,711,940</u>

Note: The County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable the fund balance categories used prior to 2011.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 3,890,055	\$ 4,543,345	\$ -	\$ -	\$ -
44,881,550	47,525,814	-	-	-
-	-	1,440,951	979,132	1,310,108
-	-	929,636	366,748	534,121
-	-	2,957,458	3,832,006	3,497,757
-	-	48,567,345	48,046,334	46,556,929
<u>\$ 48,771,605</u>	<u>\$ 52,069,159</u>	<u>\$ 53,895,390</u>	<u>\$ 53,224,220</u>	<u>\$ 51,898,915</u>
\$ 21,152,055	\$ 36,357,884	\$ -	\$ -	\$ -
77,525,162	68,443,969	-	-	-
260,818	14,036	-	-	-
-	-	1,423,664	1,348,569	1,225,166
-	-	110,227,554	105,282,972	102,894,199
-	-	1,892,753	1,883,704	1,902,877
-	-	(841,118)	(604,437)	(1,372,726)
<u>\$ 98,938,035</u>	<u>\$ 104,815,889</u>	<u>\$ 112,702,853</u>	<u>\$ 107,910,808</u>	<u>\$ 104,649,516</u>

**County of McHenry, Illinois**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008
<b>REVENUES</b>					
Charges for services	\$ 17,102,573	\$ 17,777,743	\$ 23,884,511	\$ 26,105,579	\$ 24,538,491
Licenses and permits	2,218,767	2,215,929	2,161,925	1,762,656	1,422,286
Fines and forfeitures	1,596,750	1,621,631	1,561,136	1,629,982	1,534,686
Grants, contributions, and intergovernmental	16,293,271	23,587,863	17,920,531	23,172,332	22,599,354
Property taxes	42,270,940	46,421,825	50,749,521	54,626,949	58,945,966
Sales taxes	8,581,519	8,956,331	9,530,333	9,533,202	14,392,386
State income taxes	4,317,250	5,057,081	5,465,713	5,875,908	6,214,390
Tax transfer stamps	4,399,145	5,025,204	4,631,095	3,264,738	1,968,253
Other taxes	6,667,627	6,527,582	6,558,678	2,143,030	2,173,857
Investment income	1,099,717	2,663,286	4,995,957	6,407,385	4,650,860
Miscellaneous	790,720	491,906	870,873	650,032	364,393
Total Revenues	<u>105,338,279</u>	<u>120,346,381</u>	<u>128,330,273</u>	<u>135,171,793</u>	<u>138,804,922</u>
<b>EXPENDITURES</b>					
Current					
General and administrative	22,446,128	24,134,700	26,806,604	26,984,381	26,373,070
Community development	3,244,591	3,605,047	2,692,960	3,428,328	2,163,939
Transportation	10,312,253	8,397,687	9,546,135	12,599,577	13,937,579
Public safety	20,672,454	23,844,358	27,347,522	29,912,573	31,495,112
Judiciary and court related	9,886,552	10,169,039	10,819,640	13,497,931	15,791,493
Public health and welfare	19,394,949	21,513,474	23,560,643	24,679,407	27,189,292
Capital outlay	18,946,483	19,558,629	15,134,089	32,474,800	27,344,905
Debt service					
Principal retirement	1,996,101	1,587,517	2,252,439	3,220,206	7,798,926
Interest and fiscal charges	894,418	1,032,157	1,140,762	1,090,312	3,507,908
Total Expenditures	<u>107,793,929</u>	<u>113,842,608</u>	<u>119,300,794</u>	<u>147,887,515</u>	<u>155,602,224</u>
Excess (deficiency) of revenues over expenditures	<u>(2,455,650)</u>	<u>6,503,773</u>	<u>9,029,479</u>	<u>(12,715,722)</u>	<u>(16,797,302)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,866,871	2,576,516	6,331,432	24,521,463	31,671,737
Transfers out	(2,866,871)	(2,592,516)	(6,331,432)	(24,521,463)	(31,671,737)
Debt certificates issued	9,600,000	3,100,000	4,688,000	54,885,000	-
Refunding debt certificates issued	-	-	3,592,000	-	-
Premium on debt issuance	-	-	-	137,921	-
Payment to bond escrow agent	-	-	(3,522,175)	-	-
Capital leases issued	362,769	913,563	250,254	1,546,358	2,038,227
Total Other Financing Sources (Uses)	<u>9,962,769</u>	<u>3,997,563</u>	<u>5,008,079</u>	<u>56,569,279</u>	<u>2,038,227</u>
Net Change in Fund Balances	<u>\$ 7,507,119</u>	<u>\$ 10,501,336</u>	<u>\$ 14,037,558</u>	<u>\$ 43,853,557</u>	<u>\$ (14,759,075)</u>
Debt service as a percentage of noncapital expenditures	<u>3.3 %</u>	<u>2.8 %</u>	<u>3.3 %</u>	<u>3.9 %</u>	<u>9.2 %</u>

	2009	2010	2011	2012	2013
\$	30,460,458	\$ 28,813,360	\$ 28,602,757	\$ 26,671,499	\$ 24,072,857
	1,147,302	1,166,773	1,068,367	1,057,632	1,164,101
	1,328,070	1,260,451	1,159,054	1,095,605	958,208
	27,441,735	35,501,450	28,679,928	23,297,655	21,233,366
	63,863,503	64,562,786	70,755,868	72,206,475	73,113,284
	16,052,268	18,048,187	17,481,700	18,036,621	18,718,620
	4,703,268	5,780,880	5,139,609	5,749,691	6,234,765
	1,232,451	1,203,780	1,123,002	1,258,599	1,896,811
	1,779,703	1,804,807	1,955,665	2,006,647	2,005,449
	733,638	424,921	340,280	305,078	268,731
	610,453	837,572	719,739	510,144	430,926
	<u>149,352,849</u>	<u>159,404,967</u>	<u>157,025,969</u>	<u>152,195,646</u>	<u>150,097,118</u>
	27,059,336	28,389,135	30,860,975	31,904,248	32,517,099
	3,029,167	7,340,586	4,739,417	4,234,982	3,961,571
	18,708,657	18,675,266	18,835,196	18,672,852	17,126,943
	36,479,080	36,125,726	36,235,507	37,041,770	38,189,737
	13,901,681	13,890,625	13,745,080	13,835,337	13,432,634
	28,632,690	28,974,311	27,586,500	28,276,597	24,915,835
	11,154,580	13,805,171	18,429,974	12,236,735	12,892,983
	8,548,252	8,597,661	9,468,785	13,731,719	9,687,878
	3,264,626	2,901,750	3,009,679	2,545,139	2,140,219
	<u>150,778,069</u>	<u>158,700,231</u>	<u>162,911,113</u>	<u>162,479,379</u>	<u>154,864,899</u>
	<u>(1,425,220)</u>	<u>704,736</u>	<u>(5,885,144)</u>	<u>(10,283,733)</u>	<u>(4,767,781)</u>
	30,615,292	13,644,072	24,073,795	24,415,247	24,459,350
	(30,615,292)	(13,644,072)	(24,073,795)	(24,415,247)	(24,459,350)
	4,480,000	8,147,000	-	-	-
	-	3,448,000	-	5,465,000	-
	28,416	459,447	-	166,455	-
	-	(3,583,775)	-	(1,073,000)	-
	169,678	-	2,924,043	262,063	181,184
	<u>4,678,094</u>	<u>8,470,672</u>	<u>2,924,043</u>	<u>4,820,518</u>	<u>181,184</u>
\$	<u>3,252,874</u>	<u>\$ 9,175,408</u>	<u>\$ (2,961,101)</u>	<u>\$ (5,463,215)</u>	<u>\$ (4,586,597)</u>
	<u>8.8 %</u>	<u>8.2 %</u>	<u>8.9 %</u>	<u>11.1 %</u>	<u>8.4 %</u>

**County of McHenry, Illinois**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
Last Ten Levy Years

Year Taxes Payable	Real Property					Railroad Property and Other	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Total Assessed Value as a % of Estimated Actual Value
	Farm	Residential	Commercial	Industrial	Other					
2004	\$ 201,634,517	\$ 5,710,037,487	\$ 780,498,796	\$ 326,803,649	\$ 13,193,732	\$ 4,590,449	\$ 7,036,758,630	\$ 21,110,275,890	\$ 0.715	33.3 %
2005	209,598,061	6,266,193,513	863,041,722	347,842,544	13,756,505	5,115,632	7,705,547,977	23,116,643,931	0.735	33.3
2006	227,318,495	7,010,406,096	946,541,231	359,681,646	15,933,834	4,780,696	8,564,661,998	25,693,985,994	0.728	33.3
2007	242,284,601	7,739,948,744	1,042,482,191	378,488,761	15,210,290	5,075,587	9,423,490,174	28,270,470,522	0.706	33.3
2008	255,194,149	8,360,880,272	1,125,071,165	395,468,291	14,396,994	4,909,505	10,155,920,376	30,467,761,128	0.687	33.3
2009	270,049,021	8,639,858,959	1,186,655,676	410,478,144	14,245,656	5,356,962	10,526,644,418	31,579,933,254	0.701	33.3
2010	276,678,637	8,522,019,341	1,206,095,170	411,119,294	13,427,368	6,243,622	10,435,583,432	31,306,750,296	0.716	33.3
2011	275,661,935	7,866,580,876	1,166,707,825	397,434,087	13,333,125	7,763,227	9,727,481,075	29,182,443,225	0.792	33.3
2012	263,585,558	7,155,985,786	1,042,866,545	359,374,976	12,328,505	8,207,596	8,842,348,966	26,527,046,898	0.888	33.3
2013	246,710,702	6,359,887,024	952,581,395	326,185,550	12,468,064	9,222,423	7,907,055,158	23,721,165,474	0.996	33.3

Source: McHenry County Assessor's Office.

Note: Each real property parcel, other than farmland, must be viewed, inspected, and revalued once every four years. Between these general assessment years, township assessors may revalue property if its value is incorrect. By law, most real property is assessed at 33.3% of its fair cash value which is synonymous with the term market value. There are some exceptions, most notably for farmland, which is assessed based on its agricultural productivity or its ability to produce income. Farmland is reassessed each year by the Illinois Department of Revenue.

**County of McHenry, Illinois**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
Last Ten Levy Years

	Year Taxes Payable				
	2004	2005	2006	2007	2008
<b>DIRECT RATES - COUNTY</b>					
General	0.250	0.247	0.250	0.250	0.285
Highway	0.057	0.055	0.060	0.064	0.060
County Bridge	0.003	0.003	0.002	0.004	0.010
Matching	0.014	0.013	0.012	0.028	0.034
Mental Health	0.121	0.125	0.121	0.118	0.114
Tuberculosis Care and Treatment	0.003	0.003	0.002	0.002	0.003
Illinois Municipal Retirement	0.066	0.075	0.070	0.056	0.037
Veterans' Assistance	0.009	0.008	0.007	0.006	0.006
Loss Prevention and Protection	0.057	0.062	0.064	0.059	0.044
Debt Service	0.011	-	-	-	-
Social Security	0.043	0.052	0.049	0.036	0.017
Senior Services	0.025	0.023	0.021	0.019	0.018
Nursing Home	0.057	0.069	0.070	0.064	0.059
Total County	0.715	0.735	0.728	0.706	0.687
<b>OVERLAPPING RATES</b>					
Municipalities	0.202 - 1.512	0.191 - 1.472	0.184 - 1.467	0.180 - 1.426	0.175 - 1.409
Unit School Districts	3.522 - 4.791	3.654 - 4.738	3.587 - 4.517	3.446 - 4.677	3.378 - 4.609
Elementary School Districts	2.029 - 3.498	1.941 - 3.743	1.862 - 3.683	1.919 - 3.754	1.869 - 3.714
High School Districts	1.759 - 2.093	1.970 - 2.035	1.659 - 2.086	1.599 - 2.154	1.552 - 2.149
Community College Districts	0.301 - 0.453	0.301 - 0.450	0.256 - 0.447	0.274 - 0.491	0.263 - 0.478
Conservation District	0.166	0.158	0.149	0.143	0.174
Township and Road Districts	0.118 - 0.736	0.110 - 0.701	0.105 - 0.664	0.102 - 0.644	0.098 - 0.629
Park Districts	0.025 - 0.577	0.028 - 0.553	0.300 - 0.534	0.031 - 0.524	0.032 - 0.508
Fire Protection Districts	0.134 - 0.656	0.132 - 0.660	0.126 - 0.635	0.189 - 0.623	0.184 - 0.612
Library Districts	0.080 - 0.429	0.078 - 0.418	0.074 - 0.400	0.071 - 0.395	0.069 - 0.383
Sanitary Districts	0.044 - 0.061	0.044 - 0.060	0.045 - 0.057	0.044 - 0.056	0.049 - 0.054
Cemetery Districts	0.001 - 0.009	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008
Rescue Squad District	0.093	0.091	0.088	0.200	0.195

Source: McHenry County Clerk's Office.

Notes: Rates are per \$100 of assessed valuation.

The County's ability to change property taxes is limited by the Property Tax Extension Limitation Law (PTELL). Increases are limited to the lesser of 5 percent or the increase in the national consumer price index (CPI) for the year preceding the levy year. For the 2012 levy (payable in 2013), the increase was limited to the CPI increase of 3.0%.



Year Taxes Payable				
2009	2010	2011	2012	2013
0.300	0.326	0.370	0.417	0.480
0.060	0.060	0.065	0.072	0.084
0.009	0.010	0.010	0.012	0.016
0.033	0.010	0.011	0.013	0.016
0.116	0.118	0.129	0.144	0.150
0.004	0.004	0.005	0.004	0.003
0.038	0.043	0.046	0.053	0.067
0.005	0.003	0.004	0.004	0.005
0.038	0.037	0.040	0.044	0.038
-	-	-	-	-
0.024	0.031	0.033	0.037	0.048
0.017	0.017	0.018	0.020	0.023
0.057	0.057	0.061	0.068	0.066
0.701	0.716	0.792	0.888	0.996
0.178 - 1.447	0.180 - 1.487	0.192 - 1.707	0.207 - 1.943	0.232 - 2.210
3.172 - 4.693	3.274 - 4.791	3.503 - 5.226	3.638 - 5.894	3.593 - 6.900
1.891 - 3.794	1.956 - 3.933	2.154 - 4.229	2.487 - 5.250	2.962 - 5.927
1.559 - 2.241	1.625 - 2.279	1.780 - 2.510	2.093 - 2.926	2.407 - 3.123
0.258 - 0.436	0.274 - 0.467	0.278 - 0.454	0.290 - 0.465	0.338 - 0.505
0.173	0.178	0.196	0.219	0.248
0.099 - 0.647	0.101 - 0.658	0.123 - 0.708	0.123 - 0.586	0.142 - 0.819
0.029 - 0.528	0.032 - 0.535	0.034 - 0.575	0.035 - 0.659	0.038 - 0.758
0.188 - 0.638	0.193 - 0.637	0.213 - 0.718	0.243 - 0.722	0.288 - 0.827
0.071 - 0.392	0.072 - 0.391	0.078 - 0.419	0.089 - 0.467	0.104 - 0.532
0.056 - 0.057	0.057	0.062 - 0.066	0.070 - 0.071	0.071 - 0.083
0.001 - 0.008	0.001 - 0.008	0.001 - 0.009	0.002 - 0.011	0.002 - 0.012
0.199	0.200	0.200	0.200	0.200

**County of McHenry, Illinois**  
**PRINCIPAL PROPERTY TAX PAYERS**  
Current Year and Nine Years Ago

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2013		Percentage of Total Assessed Value	2004		Percentage of Total Assessed Value
	Assessed Value	Rank		Assessed Value	Rank	
Wal-Mart Stores, Inc.	\$ 22,277,501	1	0.27 %	\$ 8,251,973	7	0.11 %
Federal National Mortgage Assn.	16,072,783	2	0.19	-	-	-
Nimed Corp.	14,831,853	3	0.18	8,125,571	8	0.11
DDR McHenry SQ	12,837,420	4	0.15	-	-	-
Federal Home Loan Mortgage Co.	12,056,193	5	0.14	-	-	-
Inland Real Estate Corp.	8,379,893	6	0.10	-	-	-
Meijer Stores	8,333,146	7	0.10	11,351,815	2	0.15
Sky Ridge Partners LP	8,074,240	8	0.10	9,087,092	4	0.12
Rubloff	8,009,116	9	0.10	-	-	-
Centro Bradley	7,913,608	10	0.09	-	-	-
Cunat Bros. Inc.	-	-	-	12,074,227	1	0.16
Motorola	-	-	-	10,726,357	3	0.14
Crystal Point Center LLC	-	-	-	8,749,024	5	0.12
Home Depot USA Inc.	-	-	-	8,743,889	6	0.12
Target Corp. (Dayton Hudson)	-	-	-	7,541,218	9	0.10
Centerpoint Properties	-	-	-	7,345,264	10	0.10
	<u>\$ 118,785,753</u>		<u>1.42 %</u>	<u>\$ 91,996,430</u>		<u>1.23 %</u>

Source: McHenry County Assessor's Office.

**County of McHenry, Illinois**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Levy Years

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Net Amount Collected in Subsequent Years	Total Collected to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2004	\$	50,333,994	\$ 50,268,332	99.87 %	\$ -	\$ 50,268,332	99.87 %
2005		56,605,027	56,478,087	99.78	-	56,478,087	99.78
2006		62,333,680	62,245,602	99.86	-	62,245,602	99.86
2007		66,273,418	66,174,779	99.85	-	66,174,779	99.85
2008		69,497,238	69,328,620	99.76	-	69,328,620	99.76
2009		73,587,785	73,429,748	99.79	11,902	73,441,650	99.80
2010		74,443,780	74,299,194	99.81	(6,206)	74,292,988	99.80
2011		76,846,500	76,659,934	99.76	16,576	76,676,510	99.78
2012		78,285,064	78,153,090	99.83	13,613	78,166,703	99.85
2013		78,535,191	78,356,747	99.77	-	78,356,747	99.77

Source: McHenry County Treasurer's Office.

**County of McHenry, Illinois**  
**RATIOS OF OUTSTANDING DEBT - BY TYPE**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	Debt Certificates	Debt Certificate Issuance Premiums	Capital Leases	Business-Type Activities					
				Debt Certificates	Revenue Bonds	Capital Leases			
2004	\$ 23,433,077	\$ -	\$ 804,464	\$ 12,500,000	\$ 325,000	\$ -	\$ 37,062,541	0.35 %	\$ 125.05
2005	25,589,569	-	1,074,018	12,500,000	325,000	-	39,488,587	0.36	129.90
2006	28,840,473	-	785,929	12,020,000	165,000	52,774	41,864,176	0.35	134.02
2007	81,460,136	132,061	1,348,872	11,535,000	-	39,586	94,515,655	0.76	299.15
2008	74,637,760	118,297	2,410,549	11,035,000	-	25,997	88,227,603	0.70	276.89
2009	71,530,000	130,129	1,619,735	10,525,000	-	11,994	83,816,858	0.69	261.14
2010	72,045,000	546,623	647,074	9,555,000	-	-	82,793,697	0.69	268.15
2011	63,540,000	484,835	2,607,332	8,915,000	-	57,613	75,604,780	0.60	245.36
2012	55,180,000	570,574	1,927,676	-	-	43,981	57,722,231	0.43	187.32
2013	46,205,000	490,099	1,395,982	-	-	29,934	48,121,015	0.35	156.54

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.  
See Demographic and Economic Statistics at page 173 for and personal income and population data.

**County of McHenry, Illinois**  
**RATIOS OF OUTSTANDING GENERAL BONDED DEBT**  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Value of Property	Per Capita
	Debt Certificates	Debt Certificate Issuance Premiums	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt		
2004	\$ 35,933,077	\$ -	\$ -	\$ 35,933,077	0.17 %	\$ 121.24
2005	38,089,569	-	-	38,089,569	0.16	125.30
2006	40,860,473	-	-	40,860,473	0.16	130.81
2007	92,995,136	132,061	-	93,127,197	0.33	294.76
2008	85,672,760	118,297	-	85,791,057	0.28	269.24
2009	82,055,000	130,129	-	82,185,129	0.26	256.06
2010	81,600,000	546,623	-	82,146,623	0.26	266.05
2011	72,455,000	484,835	-	72,939,835	0.25	236.71
2012	55,180,000	570,574	-	55,750,574	0.21	180.92
2013	46,205,000	490,099	-	46,695,099	0.20	151.90

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.  
See Assessed Value and Estimated Actual Value of Taxable Property Schedule at page 163 for property value data.  
See Demographic and Economic Statistics at page 173 for population data.

**County of McHenry, Illinois**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
November 30, 2013

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Direct</b>			
County of McHenry	\$ 48,091,000	100.0 %	\$ 48,091,000
<b>Overlapping</b>			
Municipalities	123,099,000	5.6 - 100.0	104,330,000
Unit School Districts	856,723,000	0.1 - 100.0	377,621,000
Elementary School Districts	104,654,000	93.3 - 100.0	101,909,000
High School Districts	53,723,000	98.5 - 100.0	53,511,000
Community College Districts	462,597,000	0.1 - 96.3	21,907,000
Conservation District	139,630,000	100.0	139,630,000
Township and Road Districts	3,852,000	100.0	3,852,000
Park Districts	34,110,000	81.4 - 100.0	31,321,000
Fire Protection Districts	13,475,000	6.1 - 100.0	11,061,000
Library Districts	21,802,000	2.2 - 100.0	5,512,000
Total Overlapping			<u>850,654,000</u>
Total Direct and Overlapping Debt			<u>\$ 898,745,000</u>

Sources: Assessed value data used to estimate applicable percentages provided the County Clerk's Office. Debt outstanding data obtained from annual financial reports submitted to the Illinois Comptroller or Illinois State Board of Education or from individual comprehensive annual financial reports.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses of the County should be taken into account. However, this does not mean that every taxpayer of the County is a taxpayer of each of the above overlapping districts and responsible for bearing the repayment of the long-term debt of each overlapping district.

The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another district's assessed value that is within the County's boundaries and dividing it by that district's total assessed value.

Amounts are rounded to the nearest thousand.

**County of McHenry, Illinois**  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 202,306,811	\$ 221,534,504	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711	\$ 302,641,027	\$ 300,023,024	\$ 279,665,081	\$ 254,217,533	\$ 227,327,836
Less: total debt applicable to limit	<u>(804,464)</u>	<u>(1,074,018)</u>	<u>-</u>	<u>(54,885,000)</u>	<u>(50,385,000)</u>	<u>(45,695,000)</u>	<u>(40,805,000)</u>	<u>(35,715,000)</u>	<u>(30,405,000)</u>	<u>(24,855,000)</u>
Legal debt margin	\$ <u>201,502,347</u>	\$ <u>220,460,486</u>	\$ <u>246,234,032</u>	\$ <u>216,040,343</u>	\$ <u>241,597,711</u>	\$ <u>256,946,027</u>	\$ <u>259,218,024</u>	\$ <u>243,950,081</u>	\$ <u>223,812,533</u>	\$ <u>202,472,836</u>
Total debt applicable to limit as a percentage of debt limit	<u>0.40</u> %	<u>0.48</u> %	<u>-</u> %	<u>20.26</u> %	<u>17.26</u> %	<u>15.10</u> %	<u>13.60</u> %	<u>12.77</u> %	<u>11.96</u> %	<u>10.93</u> %

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed valuation (2012 tax year)	\$ <u>7,907,055,158</u>
Debt limitation (2.875% of assessed valuation)	<u>227,327,836</u>
Debt outstanding	
Debt Certificates	46,205,000
Capital Leases	<u>1,425,916</u>
Subtotal	47,630,916
Less: debt not subject to limitation	<u>(22,775,916)</u>
Total debt applicable to limit	<u>24,855,000</u>
Debt limit margin	\$ <u>202,472,836</u>

Note: Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act)

**County of McHenry, Illinois**  
**PLEDGED REVENUE COVERAGE**  
Last Ten Fiscal Years

911 Fund Revenue Bonds							
Fiscal Year	Charges for Services	Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2004	\$ 1,932,388	\$ 47,455	\$ 1,213,330	\$ 766,513	\$ 300,000	\$ 18,785	2.40
2005	1,966,275	72,133	1,232,169	806,239	-	13,195	61.10
2006	2,032,278	104,103	1,332,078	804,303	160,000	7,035	4.82
2007	2,209,926	135,558	1,517,913	827,571	165,000	300	5.01
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.  
Operating expenses do not include interest, depreciation, or amortization expenses.  
911 Fund revenue bonds were backed by charges for services, which represent monthly telephone surcharges paid on telephone lines within the County. This issue was paid off in 2007.



**County of McHenry, Illinois**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
Last Ten Fiscal Years

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Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
2004	296,389	\$ 10,449,910,000	\$ 35,257	51,535	3,638	5.2	%
2005	303,990	11,098,773,000	36,510	53,235	3,350	5.1	
2006	312,373	12,019,300,000	38,477	53,917	3,142	3.7	
2007	315,943	12,377,811,000	39,177	54,256	3,523	4.3	
2008	318,641	12,530,670,000	39,325	54,350	3,742	5.8	
2009	320,961	12,086,449,000	37,657	54,080	3,648	9.6	
2010	308,760	12,080,403,000	39,126	53,179	3,456	9.6	
2011	308,135	12,667,575,000	41,110	52,875	3,438	9.4	
2012	308,145	13,497,241,000	43,802	52,209	3,369	8.4	
2013	307,409	13,572,882,000	44,153	51,547	3,634	8.3	

Sources:

- (1) US Census Bureau.
- (2) Bureau of Economic Analysis, US Department of Commerce.
- (3) Regional Superintendent of Schools.
- (4) Illinois Department of Employment Security.

**County of McHenry, Illinois**  
**PRINCIPAL EMPLOYERS**  
Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,620	1	2.25 %	3,002	1	1.94 %
Wal-Mart	2,400	2	1.49	-	-	-
Jewel Osco	1,400	3	0.87	-	-	-
County of McHenry	1,349	4	0.84	1,100	2	0.71
Follett Library Resources, Inc.	1,280	5	0.80	902	4	0.58
McHenry County College	855	6	0.53	-	-	-
Catalent Pharma Solutions	750	7	0.47	-	-	-
Intren, Inc.	720	8	0.45	-	-	-
Snap-on, Inc.	690	9	0.43	-	-	-
Brown Printing	680	10	0.42	715	6	0.46
Dana Corp/Brake Parts Inc.	-	-	-	1,095	3	0.71
Intermatic, Inc.	-	-	-	800	5	0.52
Cardinal Health Sterile Technologies	-	-	-	700	7	0.45
McHenry School District #15	-	-	-	628	8	0.41
Precision Twist Drill Co.	-	-	-	500	9	0.32
Tru Serv Corp.	-	-	-	500	10	0.32
	<u>13,744</u>		<u>8.54 %</u>	<u>9,942</u>		<u>6.41 %</u>

Source: Principal employers obtained from the annual McHenry County Book of Lists, compiled by the McHenry County Business Journal. Total County employment obtained from the Illinois Department of Employment Security.

**County of McHenry, Illinois**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES - BY FUNCTION**  
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	Full-time Equivalent Employees as of November 30,									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General and administrative	195.7	196.8	201.7	203.9	213.3	208.2	207.3	205.4	206.1	207.0
Community development	22.0	20.0	23.6	25.1	23.5	27.0	28.0	26.9	26.9	30.0
Transportation	38.0	48.0	50.5	56.5	59.5	57.4	56.4	60.0	60.0	57.0
Public safety	316.9	377.5	382.5	394.2	404.9	400.1	401.0	402.7	402.8	400.2
Judiciary and court related	175.1	175.0	194.8	211.5	212.1	208.4	214.9	207.0	208.3	209.2
Public health and welfare	267.9	270.3	300.1	302.6	312.2	359.6	358.3	333.1	329.2	308.4
	<u>1,015.6</u>	<u>1,087.6</u>	<u>1,153.2</u>	<u>1,193.8</u>	<u>1,225.5</u>	<u>1,260.7</u>	<u>1,265.9</u>	<u>1,235.1</u>	<u>1,233.3</u>	<u>1,211.8</u>

Source: McHenry County Department of Human Resources.

Note: A full-time employee is scheduled to work 37.5 hours per week, which is equal to 1950 hours per year (52 weeks \* 37.5 hours/week). Full-time equivalent employment is calculated by dividing total labor hours by 1950.

**County of McHenry, Illinois**  
**OPERATING INDICATORS - BY FUNCTION**  
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General and administrative										
Documents recorded	115,446	110,544	96,602	86,224	65,141	63,309	59,651	54,381	62,098	62,056
Real estate transfer declarations	11,225	11,886	9,550	6,811	4,661	3,847	3,809	3,723	4,721	6,620
Birth certificates issued	2,109	2,264	2,213	2,062	2,066	2,020	1,889	1,806	3,589	2,614
Parcels assessed	133,137	136,646	140,899	142,521	147,007	148,679	149,278	149,348	149,353	149,251
Registered voters	186,394	184,315	186,323	189,386	199,378	200,205	202,033	202,494	203,225	204,129
Tax bills mailed	126,796	130,266	134,047	137,723	136,597	137,746	137,857	138,522	138,134	138,154
Passports applications processed	2,627	1,774	1,548	2,528	1,603	1,359	1,067	1,124	1,545	2,258
Teachers certified	3,638	3,350	3,142	3,523	3,742	3,648	3,456	3,438	3,369	
Community development										
Building permit applications	1,798	1,636	1,421	1,430	1,387	1,246	1,086	886	899	904
Zoning petitions filed	131	140	96	100	79	58	51	51	52	48
Transportation										
Permits (access, facility, & utility)	140	104	114	159	108	90	76	105	86	64
Lane miles resurfaced	22.1	15.3	15.7	15.9	27.3	21.3	28.3	17.6	18.2	28.6
Public safety										
Incoming 911 calls	30,701	31,735	33,187	36,148	35,215	34,597	36,722	39,393	42,186	37,734
Arrests	3,095	3,006	2,556	3,690	3,827	3,622	3,398	3,432	2,653	3,055
Citations issued	10,344	11,223	12,215	14,085	13,294	14,527	13,558	12,322	14,679	10,709
Inmates processed	6,615	6,966	8,513	9,796	10,378	10,216	8,765	8,396	7,615	6,655
Hazardous material and other emergency responses	73	51	55	50	55	50	39	26	30	60
Judiciary and court related										
Judges	12	12	13	15	16	16	16	19	19	19
Total cases filed	89,332	93,338	96,769	105,502	103,207	93,849	90,367	81,058	77,258	72,330
Jury trials	36	30	37	60	81	84	80	77	47	62
Defendants appointed to public defender	4,906	4,826	4,213	4,306	4,979	5,124	4,406	4,179	3,888	4,281
Charges disposed by public defender	10,736	10,450	9,078	8,750	9,914	10,128	9,195	8,912	8,144	8,095
Public health and welfare										
Food establishment inspections	4,485	5,479	5,753	5,680	5,765	4,205	5,612	4,899	4,612	4,811
Vision screenings	12,915	12,577	12,095	11,114	9,629	9,028	7,966	9,135	8,275	7,699
Hearing screenings	15,254	13,989	13,255	13,272	13,126	13,063	11,999	12,381	12,222	11,202
Nursing home - resident days	40,528	40,695	41,181	43,406	44,450	45,186	44,945	44,731	44,239	44,201
Veterans assistance - new claims awarded	37	51	58	45	76	97	146	191	162	143

Sources: County Departments.

**County of McHenry, Illinois**  
**CAPITAL ASSET STATISTICS - BY FUNCTION**  
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General and administrative										
Primary buildings	2	2	2	2	2	2	2	2	2	2
Transportation										
Lane miles	495	495	495	502	490	495	497	497	518	518
Street lights	114	209	233	267	363	363	379	393	351	506
Traffic signals	24	25	27	29	31	32	32	35	35	36
Bridges	37	37	37	37	38	38	41	42	42	43
Vehicles	68	68	69	75	79	76	76	76	77	79
Public safety										
Jail inmate capacity	325	325	620	632	666	666	666	666	666	666
Sheriff vehicles	144	146	165	173	172	186	192	164	162	159
Sheriff boats	6	6	6	6	6	5	5	5	5	5
Judiciary and court related										
Courtrooms	13	13	13	16	16	16	16	18	18	18
Public health and welfare										
Nursing home capacity	117	117	117	127	128	128	128	128	128	128
Vehicles - veterans assistance	4	4	4	4	5	5	5	4	4	4

Sources: County Departments.